

Q1

PRESENTATION OF FIRST QUARTER 2015

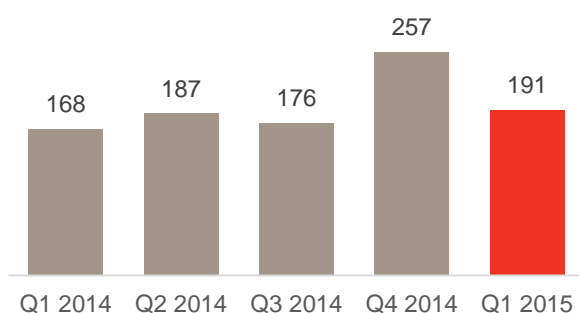
CEO Thomas Falck and CFO Roar Østbø



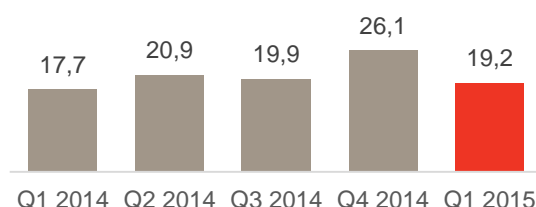
HIGHLIGHTS

- Revenues in the first quarter were NOK 191 million, up 13 % from the corresponding quarter last year
- EBITDA increased 9 percent to NOK 19 million
- Financial items negatively impacted by NOK 20 million from currency fluctuations
- Two AutoPass-contracts awarded in Norway, totalling more than NOK 100 million
- Order intake during the period amounted to NOK 246 million
- Order backlog increased to NOK 536 million, of which 60% is due in 2015
- Strengthening ATMS by increasing shareholding of Intelight in the US

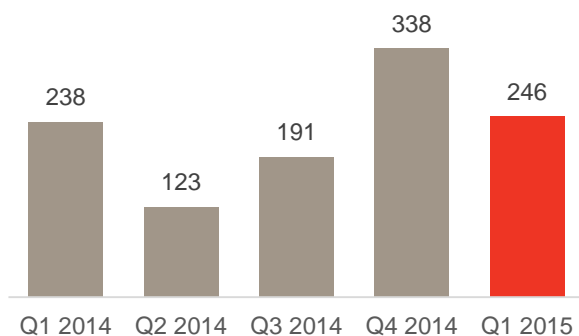
REVENUES LAST 5 QUARTERS
MNOK



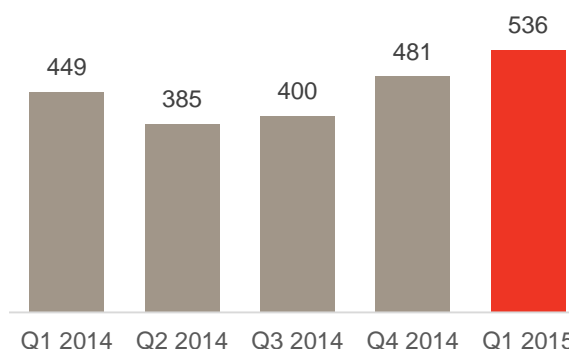
EBITDA LAST 5 QUARTERS
MNOK



ORDER INTAKE LAST 5 QUARTERS
MNOK



ORDER BACK LOG LAST 5 QUARTERS
MNOK



FINANCIAL REVIEW

KEY FIGURES

NOK 1.000	Q1 2015	Q1 2014	Q/Q-%	2014
Revenues	190,944	168,339	13.4%	788,584
Gross profit	135,453	100,255	35.1%	506,375
Gross margin - %	70.9%	59.6%		64.2%
Operating expenses	116,295	82,523	40.9%	421,666
EBITDA	19,158	17,732	8.0%	84,709
EBITDA margin	10.0%	10.5%		10.7 %
Depreciation, amortisation and impairment	22,110	16,759	31.9%	76,309
Operating profit - EBIT	-2,952	1,552		8,400
EBIT margin	-1.5%	0.6%		1.1 %
Pre-tax profit	-26,509	1,552		-15,154
Profit margin	-13.9%	0.9%		-1.9%
EPS	-0.42	0.00		0.93

INCOME STATEMENT

With reference to the announcement May 22 2014, Q-Free will as of the second quarter 2014 report revenues from ATMS in a separate business area. In addition, the geographical split of the revenues has been changed to Europe & Latin America (ELA), the Nordics (Nordics), Asia Pacific, Middle East and Africa (APMEA), and North America (NA).

REVENUES

The Q-Free Group generated revenues of NOK 191 million in the first quarter 2015, an increase of 13 percent from NOK 168 million in the first quarter 2014. Q1 2014 figures include revenues from Noca. In October 2014 Q-Free agreed to sell its shares in the company, and Noca is no longer part of the consolidated accounts of Q-Free. Noca revenues in Q1 2014 amounted to NOK 19 million and was included in product revenues.

Product revenues ended at NOK 62 million during the period, compared to NOK 83 million in the previous quarter and NOK 97 million in the first quarter 2014.

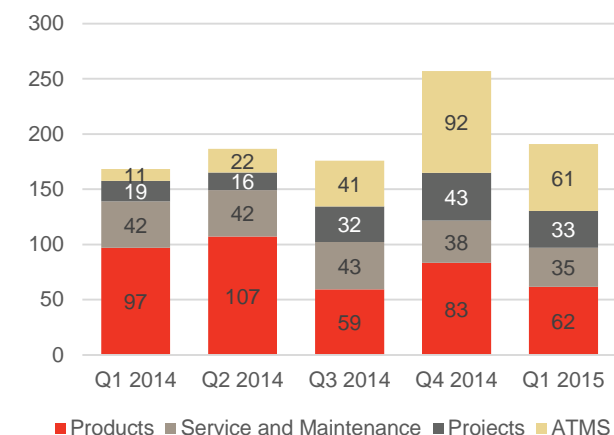
Project revenues ended at NOK 33 million, down NOK 10 million from the previous quarter and up NOK 15 million from the corresponding period last year.

Service & Maintenance revenues ended at NOK 35 million, during the quarter, down NOK 7 million from the first quarter 2014. In the fourth quarter 2014 Service and Maintenance revenues amounted to NOK 38 million.

ATMS revenues ended at NOK 60 million, down NOK 30 million from the previous quarter. This is partly due to seasonal fluctuations, combined with strong sales in Q4 2014. Compared to the first quarter in 2014, ATMS revenues are up NOK 50 million, mainly due to acquired ATMS companies in 2014.

REVENUES BUSINESS AREAS

MNOK



GROSS PROFIT

Gross profit for the quarter ended at NOK 136 million (100), corresponding to a gross margin of 71% (60). The higher gross margin is due to change in revenue composition in the quarter with lower product revenues and higher ATMS revenues.

OPERATING EXPENSES

Operating expenses amounted to NOK 116 million in the first quarter. This is down from NOK 152 million in the previous quarter, and up from NOK 83 million in the first quarter 2014. The operating expenses are increased due to a higher cost base compared to first quarter 2014. First quarter 2015 includes three ATMS companies acquired during 2014 and excluding Noca.

OPERATING PROFITS

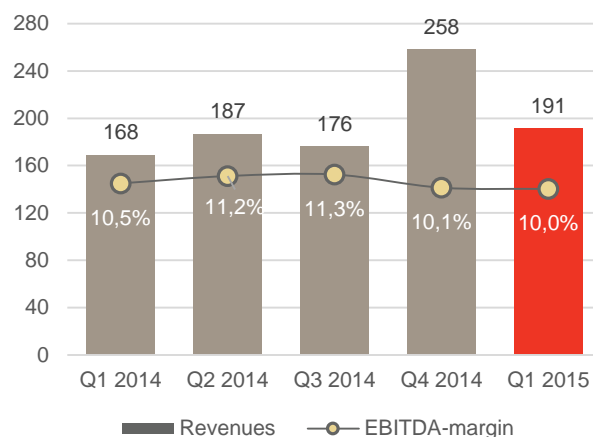
Reported EBITDA in the first quarter 2015 was NOK 19 million, slightly up from NOK 17 million in the same quarter last year, and down from NOK 26 million in the fourth quarter 2014.

Depreciation and amortisation was at NOK 22 million (17). The increase from the corresponding period last year reflects the acquisitions within the ATMS business area.

Operating profit (EBIT) thus ended at negative NOK 3 million, compared to a positive NOK 4 million in the previous quarter and a positive NOK 1 million in the same period last year.

QUARTERLY REVENUES AND EBITDA MARGIN

MNOK & %



NET FINANCIAL ITEMS

Net financial items were negative by NOK 24 million in the quarter, compared to a positive NOK 1 million in the first quarter 2014. In periods with major currency fluctuations like the fourth quarter 2014 and the first quarter of 2015, these fluctuations have a major impact on financial items. Q-Free has expensed NOK 20 million due to this on working capital items and on liabilities related to the future earn-out payments on the ATMS acquisitions in this quarter. In the fourth quarter 2014, net financial items amounted to a negative NOK 23 million.

PROFITS

Reported pre-tax profit for the period was negative by NOK 27 million, compared to a pre-tax profit of NOK 2 million in the first quarter 2014. Earnings per share was NOK -0.42 in the quarter. This compares to a break-even result in the corresponding quarter last year.

CASH FLOW

Net cash flow from operating activities was negative NOK 6 million in the first quarter 2015. This compares to a positive NOK 18 million in the first quarter 2014. The change partly reflects the lower profitability in the quarter, in addition to increased working capital.

Net cash flow from investing activities was negative NOK 28 during the period (-63), mainly reflecting NOK 21 million in earn out payments related to the acquisition of TCS, TDC and Traffic Design, NOK 5 million from sale of ASTI AS shares and NOK 9 million (16) investments in technology projects.

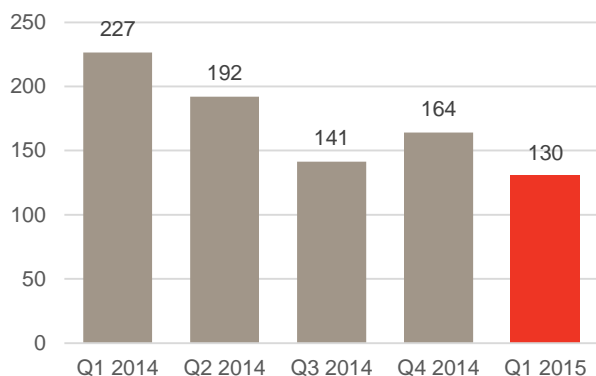
As in the previous quarter and the corresponding quarter in 2014, no financing transaction were executed during the period.

This gave a net reduction in cash and cash equivalents of NOK 34 million in the quarter (-45), leaving the cash balance as of March 31 2015 at NOK 130 million, down from NOK 164

million at December 31 2014, and NOK 227 million twelve months earlier.

QUARTERLY CASH FUNDS

MNOK



BALANCE SHEET

Total assets stood at NOK 877 (891) million at the end of the first quarter of 2015, down from NOK 940 million at the end of the fourth quarter 2014.

Total equity stood at NOK 473 million (505), down from NOK 485 million at the end of 2014. The decrease is due to negative results during the period. The equity ratio was 53.9 percent (56.7), up from 51.6 percent at the end of the fourth quarter of 2014.

EQUITY PER SHARE

NOK

6.88

Non-current liabilities were NOK 156 million (154), compared to NOK 154 million from the end of the previous quarter.

Current liabilities was NOK 210 million at the end of the quarter (221). This is up from NOK 262 million at the end of Q4 2014. This is mainly due to lower short term debt, reduced accounts payables and lower advanced payments from customers.

Net working capital (defined as current assets excluding cash less current liabilities) amounted to NOK 73 million at the end of the first quarter (48). This corresponds to 9 percent of last 12 months revenues. At the end of 2014, net working capital stood at NOK 33 million, or 4 percent of revenues in 2014. The ratio will vary between quarters depending on revenue composition and timing of payments.

Interest bearing debt to financial institutions has remained unchanged at NOK 100 million across all periods.

The liquidity ratio was 2.0 at the end of the first quarter, compared to 2.2 at the end of the corresponding period last year and 1.8 at the end of last year.

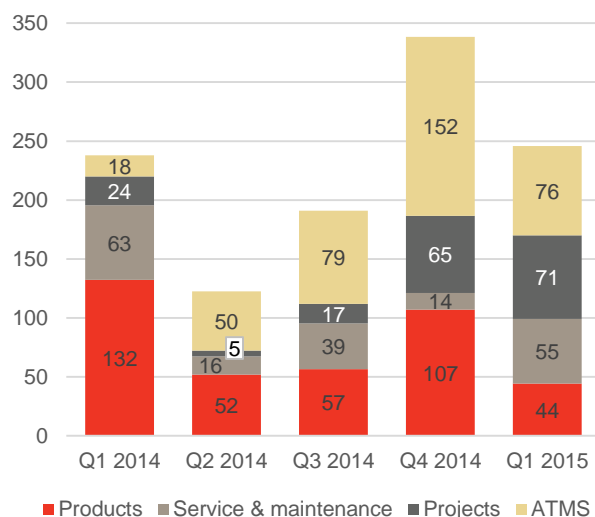
ORDER INTAKE AND BACKLOG

Order intake in the first quarter amounted to NOK 246 million (238) of which two major contracts in Norway account for NOK 102 million.

Products accounted for NOK 44 million (18 percent) of the order intake, Service & Maintenance NOK 55 million (22 percent), projects NOK 71 million (29 percent) and ATMS NOK 76 million (31 percent).

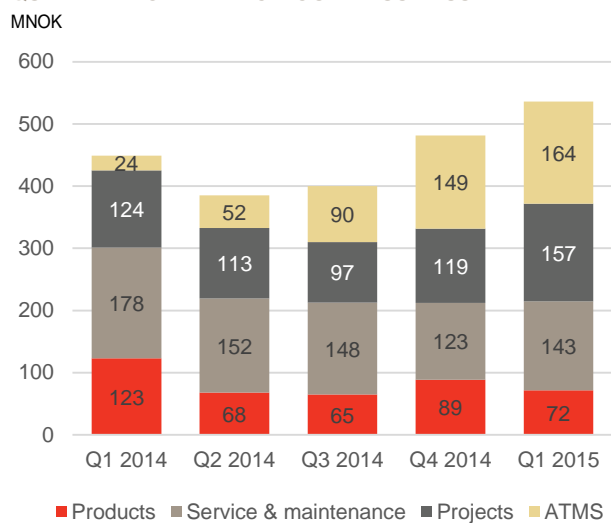
QUARTERLY ORDER INTAKE BY BUSINESS AREA

MNOK



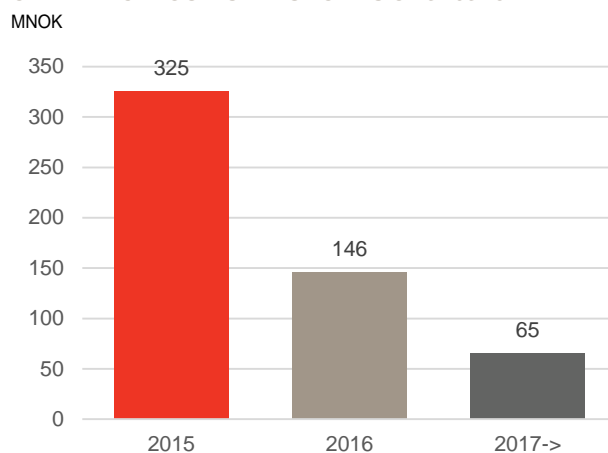
The Group's order backlog as of 31 March 2015 was NOK 536 million (449), up from NOK 481 million by the end of fourth quarter 2014. NOK 325 million of the backlog is for delivery in 2015.

QUARTERLY ORDER BACKLOG BY BUSINESS AREA



Distributed by business areas, Products accounted for NOK 72 million (13 percent) of the total backlog, Service & Maintenance accounted for NOK 143 million (27 percent), Projects accounted for NOK 157 million (29 percent), and ATMS accounted for NOK 164 million of the total backlog (31 percent).

ORDER BACK LOG DISTRIBUTION AS OF 31.03.15



STRATEGIC DEVELOPMENTS

Q-Free's goal is to obtain a more efficient and customer-oriented organisation, able to deliver improved products, services and offerings, and more consistent growth in shareholder value.

The company aim is to expand the revenue base with more mid-sized and smaller contracts and thus reduce overall volatility risk. At the same time, the company continue to work to improve internal cooperation and operational efficiency.

Market attention going forward will to a large extent be driven by technology demand in the various markets, and Q-Free will target markets where the company has comparative technological advantages.

Q-Free will continue its R&D efforts to provide the market with market leading technology and products in the future.

In the longer-term, Q-Free expects that the markets for ATMS and Road User Charging will converge into a joint market for Intelligent Transport Systems (ITS) - both technologically and commercially.

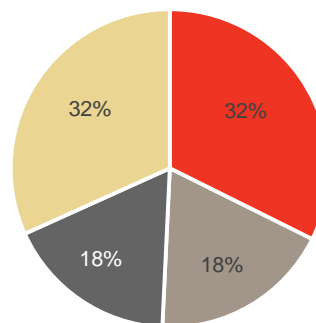
Q-Free intends to play an important role in the market for Intelligent Transport Systems, and will continue to build its position through acquisitions as well as further development of its current businesses within this area.

ROAD USER CHARGING (RUC)

Road User Charging (RUC), including Products, Projects and Service & Maintenance, remains the largest contributor to overall revenues in Q-Free, representing 68 percent of overall revenues in the first quarter. Following the strategic change and the following build-up of additional activities within AMTS and Managed Services, this share has been steadily decreasing recent quarters.

However, during the first quarter of 2015, the major share of new business was generated within this segment, particularly linked to the signing of two major contracts in the Norwegian market, with a total contract value of NOK 102 million. The two contracts include delivery of Autopass roadside equipment, installation and Service & Maintenance. Deliveries according to the first contract, replacement of all Autopass roadside equipment in Oslo, are already commenced, with scheduled finalisation by the end of 2015. Deliveries according to the other contract, five AutoPass project contracts, will be initiated in August 2016, with expected finalisation by the first quarter of 2016.

Q1 2015 REVENUE DISTRIBUTION BY SEGMENT (%)



■ Products ■ Service and Maintenance ■ Projects ■ ATMS

ADVANCED TRANSPORTATION MANAGEMENT SYSTEMS (ATMS)

Q-Free is continuously seeking to expand its platform for future revenue generation.

During 2014, the company made several acquisitions within the ATMS-segment, building a product and service platform for further addressing new markets and continued growth.

This acquisitions will strengthen Q-Free's presence in the US, and is a strategically good match with existing RUC activities.

During the last few quarters, order intake from the AMTS activities has increased significantly, and during the first quarter ATMS' share of revenues accounted for 31 percent of overall revenues compared to 5 percent in Q1 2014. This reflects Q-Free's increasing focus on this area and the revenue development is in line with the company's expectations to grow the revenue base significantly moving forward.

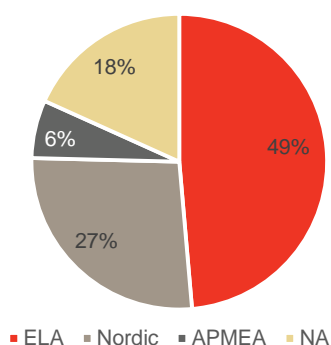
Q-Free announced during the quarter a contract between Q-Free Open Roads and West Virginia Division of highways, at a value of NOK 15 million.

MANAGED SERVICES (MS)

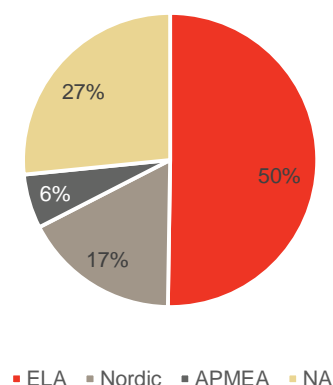
The MS business area is in the process of defining and building a portfolio of defined managed services offerings. Q-Free are currently delivering two MS projects, and are pursuing leads in all regions. The activity in Managed Services are still low and is still included in the RUC numbers in the reporting on segments.

MARKET UPDATE BY REGION

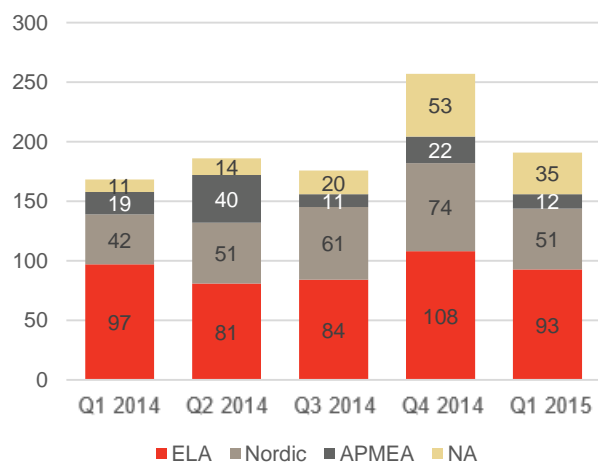
Q1 2015 REVENUE DISTRIBUTION BY REGION (%)



(%) 2015 ORDER INTAKE DISTRIBUTION BY REGION



QUARTERLY REVENUES BY REGION MNOK



EUROPE & LATIN AMERICA (ELA)

Revenues in the ELA region amounted to NOK 93 million in the quarter, down from NOK 108 million in the previous quarter and NOK 97 million in Q1 2014. Order intake amounted to NOK 57 million in the quarter, down from NOK 170 million Q4 2014. The region accounted for 49 percent of overall revenues and 23 percent of total order intake. The region accounts for 29 percent of Group order backlog at the end of the period.

In the Brazilian market, product demands remain healthy. Q-Free continues to develop its operations in the rest of the region.

Europe is and will be an important market going forward. In Western Europe, advanced traffic control systems are implemented in many countries, and further development of these represent significant market potential going forward. Eastern European countries are still in an early phase.

THE NORDIC (NORDIC)

Revenues in the Nordic region amounted to NOK 51 million in the first quarter, up from NOK 42 million in the corresponding period last year, but down from NOK 74 million in Q4. Order intake amounted to NOK 118 million during the quarter, nearly a doubling from both Q1 and Q4 in 2014.

The Nordic region accounted for 27 percent of overall revenues during the period, while the regions accounted for

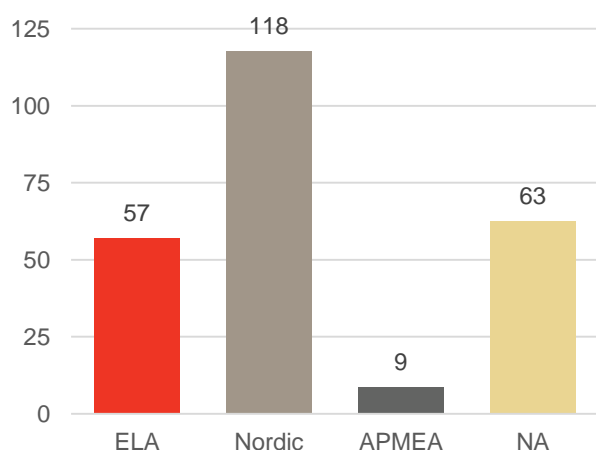
48 percent of overall order intake during the period. By the end of the quarter The Nordics represented 39 percent of Group order backlog.

The strong order intake during the period is mainly related to the signing of two contracts in Norway for delivery of AutoPass installation, roadside equipment and Service & Maintenance. Jointly the two contracts amounts to NOK 102 million. Q-Free sees stable Service & Maintenance activity in this region.

ASIA, MIDDLE EAST AND AFRICA (APMEA)

Revenues in the APMEA region amounted to NOK 12 million in the first quarter, down from NOK 22 million in the previous quarter. Order intake ended at NOK 9 million, compared to NOK 20 million in the previous quarter. The region accounted for 6 percent of overall revenues and only 3 percent of total order intake. The region represented 9 percent of Group order backlog at the end of the first quarter.

Q1 2015 ORDER INTAKE BY REGION
MNOK



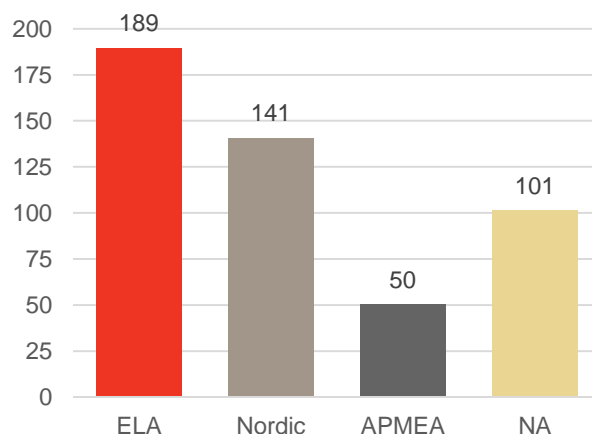
NORTH AMERICA (NA)

The positive development in the North American region continued in first quarter, and total revenues during the period accounted for NOK 35 million. This is significantly down from NOK 53 million in the previous quarter, mainly related to seasonal fluctuations.

Q-Free announced a software (ALPR) contract between Q-Free Netherlands and Raytheon in the US for the Massachusetts Department of Transportation project, at a value of NOK 14 million.

The positive trend is also reflected through order intake, which amounted to NOK 63 million during the period, up from NOK 18 million in Q1 2014. The region hence accounted for 18 percent of overall revenues and 25 percent of total order intake. By the end of the quarter North American region accounted for 24 percent of Group order backlog

ORDER BACKLOG BY REGION AS OF 31.03.15
MNOK



OUTLOOK

The Road User Charging (RUC) and Advanced Transportation Management Systems (ATMS) markets are subject to several megatrends (urbanisation, wealth proliferation, connectivity, active safety and autonomous (or 'self-driving') vehicles) as well as the need to improve the environment and local economies. These trends drive an increasing market demand for traffic efficiency, traffic safety, infrastructure financing, environmentally friendly solutions, congestion management and improved efficiency of manual solutions.

Q-Free expects these needs and commercial markets to continue to grow and to converge into an exciting ITS market.

Q-Free's Board of Directors and management are committed to positioning the company at the centre of this convergence, and have built a presence through the acquisitions of six companies in the ATMS market. These acquisitions follow a

strategic choice by Q-Free to first build a significant presence in the ATMS area, and then develop offerings and market concepts in close collaboration with our customers that will position Q-Free as a leading player in the emerging global ITS market.

Moving forward, management will focus on developing a sound commercial and operational platform to support further growth. Furthermore, Q-Free will bring to market joint offerings, leveraging technologies from various parts of the Q-Free technology portfolio. We will be realising revenues and technology synergies in the Group, maintaining a cost containment, capital discipline and a strong quality focus, continuing to broaden the sales pipeline and growing the business further. Growth will come from organic growth as well as some selected additional acquisitions.



FINANCIAL OVERVIEW

The condensed interim consolidated financial statements per 31.03.15 (unaudited):

- Interim consolidated income statement
- Interim consolidated statement of comprehensive income
- Balance sheet
- Cash Flow Statement
- Statement of changes in equity
- Key figures

INTERIM CONSOLIDATED INCOME STATEMENT

NOK 1.000	Q1 2015	Q1 2014	2014
Revenues	190,944	168,339	788,584
Cost of goods sold	55,491	68,084	282,209
Payroll expenses	65,265	53,782	230,917
Other operating expenses	51,030	28,741	190,750
Total operating expenses	171,786	150,607	703,875
EBITDA	19,158	17,732	84,709
Depreciation, amortisation and impairment	22,110	16,759	76,309
EBIT	-2,952	973	8,400
Financial income	13,033	7,241	31,014
Financial expenses	-36,590	-6,662	-54,568
Net financial items	-23,557	579	-23,554
Profit before tax	-26,509	1,552	-15,154
Tax expenses	-2,607	-898	-2,874
Profit for the period	-29,116	654	-18,028
Attributable to:			
Minority interests	0	377	1,802
Equity holders of the parent	-29,116	276	-19,830
Profit	-29,116	654	-18,028
Number of employees	377	340	399
Gross margin	70.9 %	59.6 %	64.2 %
EBITDA margin	10.0 %	10.5 %	10.7 %
EBIT margin	-1.5 %	0.6 %	1.1 %
Profit margin	-13.9 %	0.9 %	-1.9 %
EPS (NOK)	-0.42	0.00	0.96
EPS, diluted (NOK)	-0.42	0.00	0.96

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK 1.000	Q1 2015	Q1 2014	2014
Profit for the period	-29,116	654	-26,958
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	17,016	-23	27,118
Net (loss)/gain on available-for-sale financial assets	0		1,217
- Income tax effect			
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:	17,016	-23	28,335
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains (losses) on defined benefit plans	0		-9,638
- Income tax effect		0	0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:	0	0	-9,638
Total comprehensive income for the period	-12,100	631	-8,261
Attributable to:			
Minority interests	0	377	1,802
Equity holders of the parent	-12,100	253	-10,063
Total comprehensive income for the period	-12,100	631	-8,261

BALANCE SHEET - ASSETS

NOK 1.000	31.03.2015	31.12.2014	30.09.2014	30.06.2014	31.03.2014
Development	193,870	202,777	201,969	172,054	161,680
Goodwill	192,885	192,885	145,836	132,907	125,001
Deferred tax assets	16,435	18,680	21,553	28,951	28,860
Total intangible assets	403,190	414,342	369,358	333,912	315,541
Machinery, fixtures and fittings	49,819	51,799	60,433	61,108	63,252
Total fixed assets	49,819	51,799	60,433	61,108	63,252
Shares	8,984	13,001	11,035	14,165	14,809
Other long term receivables	2,420	2,158	2,072	2,660	2,323
Total financial fixed assets	11,404	15,159	13,106	16,825	17,132
Total non - current assets	464,413	481,300	442,897	411,845	395,925
Inventories	62,610	48,223	70,772	59,159	76,995
Total inventories	62,610	48,223	70,772	59,159	76,995
Accounts receivables	136,312	167,378	142,936	126,991	132,547
Work in progress	61,425	56,903	36,621	29,864	29,681
Other receivables	22,606	21,857	37,244	30,922	29,568
Total receivables	220,343	246,138	216,801	187,777	191,795
Cash	130,362	164,133	141,476	192,125	226,557
Total current assets	413,315	458,494	429,049	439,061	495,347
Total assets	877,728	939,794	871,946	850,906	891,272

BALANCE SHEET - EQUITY & LIABILITIES

NOK 1.000	31.03.2015	31.12.2014	30.09.2014	30.06.2014	31.03.2014
Subscribed share capital	26,143	26,143	26,143	26,143	25,830
Share premium reserve	426,956	426,956	426,956	426,956	415,554
Other paid in capital	20,529	20,529	20,529	20,529	20,529
Total paid in capital	473,628	473,628	473,628	473,628	461,912
Other equity	-339	11,761	28,721	25,013	22,079
Total retained equity	-339	11,761	28,721	25,013	22,079
Non-controlling interests	0	0	22,615	21,983	21,166
Total equity	473,289	485,389	524,964	520,624	505,158
Pension liabilities	18,293	18,293	12,736	11,951	11,277
Deferred tax	19,808	19,808	0	0	0
Debt to financial institutions	100,000	100,000	100,000	100,000	100,000
Other non-current liabilities	56,439	54,460	67,450	58,559	53,734
Total non-current liabilities	156,439	154,460	167,450	158,559	153,734
Accounts payable	61,691	74,155	60,136	27,023	80,781
Tax payable	5,752	8,201	5,733	7,495	6,472
Public duties payable	16,365	19,721	14,035	14,399	10,558
Advance payments customers	9,922	18,914	7,738	14,236	13,166
Other short term debt	116,169	140,853	79,154	96,619	110,127
Total current liabilities	209,899	261,844	166,796	159,772	221,103
Total liabilities	404,439	454,405	346,981	330,282	386,114
Total equity and liabilities	877,728	939,794	871,946	850,906	891,272

CASH FLOW STATEMENT

NOK 1.000	Q1 2015	Q1 2014	2014
Earnings before tax	-26,509	1,552	-16,369
Taxes paid	-2,449	-3,118	-10,198
Depreciation / impairment	22,110	16,759	76,309
Other operational items	927	2,462	-10,297
Cash flow from operating activities	-5,921	17,655	39,444
Investments intangible assets	-8,606	-10,225	-37,345
Investments tangible assets	-2,616	-5,664	-7,863
Acquisition of a subsidiary, net of cash acquired	-21,509	-47,063	-103,406
Other investments	4,881	0	0
Cash flow from investment activities	-27,850	-62,952	-148,614
Proceeds from new loans	0	0	0
Down payments of debt to financial institutions	0	0	0
Share issue	0	0	0
Other financial items	0	377	1,826
Cash flow from financing activities	0	377	1,826
Net change in cash and cash equivalents	-33,771	-44,920	-107,344
Cash and cash equivalents per 01.01.	164,133	271,477	271,477
CASH AND CASH EQUIVALENTS	130,362	226,557	164,133

STATEMENT OF CHANGES IN EQUITY

NOK 1.000	Equity attributable to equity holders of the parent								Non-controlling interests	Total equity
	Subscribed share capital	Share premium reserves	Other paid in Capital	Other equity	Foreign currency translation reserve	Actuarial gains and losses	Available-for-sale reserve	Total		
Equity per 31.12.14	26,144	426,955	20,529	14,814	5,211	-11,570	3,305	485,388	0	485,389
Total comprehensive income for the period				-29,116	17,016	0	0	-12,100	0	-12,100
Share issue arising from acquisitions								0	0	0
Equity per 31.03.15	26,144	426,955	20,529	-14,302	22,227	-11,570	3,305	473,288	0	473,289
Equity per 31.12.13	25,830	415,553	20,529	43,574	-21,907	-1,932	2,088	483,736	20,789	504,526
Total comprehensive income for the period				276	-23			253	377	631
Share issue arising from acquisitions								0		0
Equity per 31.03.14	25,830	415,553	20,529	43,851	-21,930	-1,932	2,088	483,989	21,166	505,157

KEY FIGURES

	31.03.2015	31.12.2014	30.09.2014	30.06.2014	31.03.2014
Operating profit/EBIT per share (NOK)	-0.04	0.12	0.06	0.05	0.0
Operating margin (%)	-1.5 %	1.1 %	0.8 %	0.9 %	0.6 %
EPS (NOK)	-0.42	-0.42	0.0	0.01	0.0
EPS, diluted (NOK)	-0.42	-0.41	0.0	0.01	0.0
Cash flow per share (NOK)	-0.09	0.92	0.04	-1.2	0.3
Equity per share (NOK)	6.9	7.1	7.7	7.4	7.4
Equity ratio (%)	53.9 %	51.6 %	60.2 %	60.0 %	56.7 %
Liquidity ratio	2.0	1.8	2.6	2.8	2.2
Average number of shares	68,798,142	68,574,155	68,377,093	68,377,093	67,972,419
Average number of shares, diluted	69,848,142	69,499,497	68,727,093	68,727,093	68,322,419

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

NOTE 1 – GENERAL

The consolidated condensed interim financial statements for the quarter ended March 31 2015 was approved by the Board of Directors at its meeting on April 22 2015.

Q-Free is a leading global supplier of products and solutions within Road User Charging and Advanced Transportation Management Systems. The Q-Free Group has approximately 400 employees with offices in 18 countries and presence on all continents. The Q-Free head office is in Trondheim, Norway. Q-Free is listed on Oslo Stock Exchange under the ticker QFR.

NOTE 2 – STATEMENT OF COMPLIANCE

These consolidated interim financial statements, 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 ended March 31 2015, have not been audited or subject to review by the Group's auditor. The financial statements do not include all of the information required for a full annual financial statements of the Group and should be read in conjunction with the consolidated financial statements for 2014. The consolidated financial statements for 2014 is available upon request from the company's registered office in Trondheim or at our website, www.q-free.com.

NOTE 3 – ACCOUNTING PRINCIPLES

The consolidated financial statements of the Q-Free Group for the first quarter 2015 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Norwegian Accounting Act. The Group has used the same accounting policies and standards as in the consolidated financial statements as at December 31 2014.

NOTE 4 – USE OF ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, 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 outcome that requires a material adjustment to the carrying amount of the assets or liability affected in future periods.

NOTE 5 – EVENTS AFTER THE BALANCE SHEET DATE

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

NOTE 6 – FORWARD LOOKING STATEMENTS

This report contains statements regarding the future in connection with Q-Free's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section "Outlook" contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profit and development deviating substantially from what have been expressed or implied in such statements. These factors include the risk factors described in a separate section in this report.

NOTE 7 – BUSINESS COMBINATIONS

This contains additional information about Q-Free's agreement to acquire Intelight Inc, in accordance with section 3.4 of continuing obligations for companies listed on Oslo Stock Exchange.

Q-Free ASA has signed a share purchase agreement and a shareholders agreement to acquire 100 percent of the shares in the US traffic controller supplier, Intelight Inc over a five year period. This will be done through a five year option program, giving shareholders option to sell shares at closing in 2015 and in five subsequent years valid from 2016, giving

Q-Free the opportunity to each year adding approximately 15 percent of Intelight-shares to the current 10.2 percent shareholding. At end of the 5 year period in the second quarter of 2020, Q-Free has a call option to acquire the rest of the shares.

The first transaction was closed April 21 2015 and Q-Free has of this date a shareholdings in the company of 23.8 percent including the 10.2 percent Q-Free had before the first transaction. The shareholders agreement and the amended bylaws provide control for Q-Free after signing these agreements. Based on this, the activity of Intelight will be consolidated in the Q-Free accounts from the closing date of the first transaction.

Intelight has been part of Q-Free's ATMS strategy since 2013 and the company fits well into our portfolio. Together with Q-Free Elcom, Intelight makes Q-Free able to meet demands from Urban Traffic Management-markets in all selected regions, supporting our global strategy. The acquisition will increase the number of employees to 120 in the US and will also increase revenue synergies for the existing Q-Free activities in this market.

Intelight manufactures innovative traffic management products including advanced traffic controllers, traffic control cabinets, smart signals and web-based central software systems. The company is among the leading suppliers of systems and services to the US market for Urban Traffic Management and combining products and offerings from previous acquisitions, RUC and our European portfolio companies, makes Q-Free now able to deliver complete turnkey solutions to the US market, and strengthen the position as a technology leader in this market further. Intelight's products and services are based on the most recent technology and open platforms, making the company able to meet a broader range of future demands in the North American market.

The company is founded by Craig Gardner, headquartered in Tucson, Arizona, with revenues of NOK 35 million in 2014, and 26 employees. Intelight's employees are highly talented and qualified, and bring expertise to the company in the areas of systems, traffic and electrical engineering. The company had before the transaction 29 shareholders, the Founder and President Craig Gardner holding 32.8 percent together with his wife, Michelle Gardner. Q-Free ASA holds 10.2 percent, Theodore Myers holds 10.2 percent and the other shareholders hold share positions from 7.9 percent down to 0.1 percent.

The consideration for the first transaction is approximately USD 2.2 million net of cash and debt, and no shares will be issued as part of the consideration. The consideration for the shares in the next five years will be based on a combination of multiples on revenues and EBITDA for Intelight.

On an audited basis, the main results from the acquired operations in Intelight are as follows:

USD 1000	2012	2013	2014 Prelim.
Revenues	5,300	4,207	4,331
GP	1,452	1,262	1,828
Operating expenses	2,812	2,790	3,295
EBITDA	-1,360	-1,527	-1,467
EBIT	-1,402	-1,570	-1,491
Profit before tax	-1,519	-1,619	-1,634
Net profit	-1,519	-1,619	-1,634
Total assets:	4,996	4,766	3,537
Equity	1,873	1,620	4,174
Equity ratio	37.4%	33.9%	9.6%
Net cash (debt)	-190	-1,041	-898

Measured in NOK, Intelight's revenues amounted to approximately NOK 35 million in 2014, compared to Q-Free's reported revenues of NOK 789 million. The company's Founder and President Craig Gardner leads a management team of 5 people; Jimi Meshulam as CFO, Michele Gardner as VP of Operations, Tom Stiles VP of Technical Services, and Grant Gardner as VP of R&D.

The Board of Directors of Intelight Inc. consists of Theodore Myers (Chairman), Craig Gardner, Michael R. Day, Morten Andersson Q-Free, Grant Gardner, Kevin Durgin, Mary Cherry, Jeffrey J. Smart at the time of the transaction. Craig Gardner will continue as President of Intelight, as part of Q-Free, on salary and terms normal for the industry.

The transaction triggers no other agreements to the benefit of members of the managements or Boards in either Q-Free or Intelight, other than the sale of shares.

Strategically, the acquisition agreement supports Q-Free's ambition to strengthen its position within the Advanced Traffic Management Systems (ATMS) market, as a complement to its main business in the Road User Charging (RUC) market. Going forward, the company expects the disciplines to merge into a larger Intelligent Transport Systems (ITS) market, where Q-Free ambition is to build a position as one of the leading players.

Q-Free acquired the US based parking guidance company TCS International in 2012, and followed-up with the acquisition of the Serbian traffic management company ELCOM and a strategic 10 percent investment in Intelight in the US in 2013. The acquisition of Open Roads Consulting in the US is the third acquisition in 2014, following the inclusion of TDC Systems in the UK and Traffic Design in Slovenia into the Q-Free portfolio in 2014.

Approximately 22 percent of Q-Free's revenues were generated within the ATMS market in 2014, and the inclusion of Intelight will increase the relative importance of the ATMS activities within Q-Free.

RISK FACTORS

Q-Free is an international technology company exposed to a number of different risk factors. The following outlines the most prominent operational and financial risk factors and the main risk-mitigation actions and measures:

PROJECT RISK

Q-Free's order backlog include elements of demanding and complex large-scale project deliveries, which may involve considerable risk in terms of timing and costs. Q-Free holds in-depth knowledge of customer requirements as well as the boundaries of its own project capabilities, and seeks to reduce risk in contract negotiations. Historically, exposure to large contracts has been significant, and in recent years a large contract in Australia was cancelled. To mitigate risk and stabilise revenues moving forward, Q-Free has refocused its approach, targeting a higher number of small- and mid-sized opportunities.

POLITICAL RISK

Road User Charging projects and some ATMS projects are normally directly or indirectly subject to governmental concessions, and the company is exposed to political risk from lead identification through contract awards to final project implementation.

Political risk often correlates with the scope and size of the project, such that large projects hence entail relatively more risk than smaller projects. The broadened scope of business in the RUC market is expected to mitigate this risk, and the entry into the ATMS market will add new revenue streams less exposed to political risk.

TECHNOLOGY RISK

Q-Free is exposed to quality risk both related to the quality of own work and the quality of deliveries from subcontractors. Q-Free attempts to mitigate this risk through internal auditing and a non-conformance reporting system ensuring that employees carry out their work in accordance with well-defined processes. Q-Free clearly states its quality expectations in contracts with subcontractors and carries out regular quality reviews.

The management and board of directors performs quarterly risk reviews on a group level, and make the provisions necessary to cater for possible financial implications of identified risks.

CURRENCY RISK

Q-Free reported revenues of NOK 789 million in 2014, of which NOK 615 million were generated outside of Norway, leaving Q-Free with a considerable exposure to foreign currencies. Q-Free operates businesses outside of Norway and buys a substantial share of equipment and components abroad. This mitigated the Group's net foreign currency exposure to approximately 10 percent of revenues in 2014. The Group's most important trading currencies are NOK, USD, EUR and GBP.

Q-Free's policy is to limit currency risk while actively assessing various currencies' importance as competitive parameters. The Group strategy is to compare estimated future sales and purchases and hedge the net cash flow in the foreign currency by using forward / future contracts.

CREDIT RISK

Risk related to our customers' ability to fulfil their financial obligations is generally considered to be low, given that the Group's main customers are oftentimes government-controlled entities, or relatively large and solid private companies. The company has historically had a low bad debt to accounts receivables ratio.

Sovereign risk related to governments failing to honour their debt obligations may have increased in several markets, although Q-Free has to date not incurred any losses on debt to any government-related entity in any market.

The Group seeks to conduct business with parties with an acceptable credit record. The Group has guidelines to ensure that outstanding amounts are kept below given credit limits and that sales are made only to customers with no history for significant credit problems.

When Q-Free enters a new market, the credit risk will be assessed in each individual case and appropriate actions like letters of credit, Norwegian Export Credit Agency guarantees, advance payments, or other similar tools are being used in order to reduce credit risk.

The Group has no significant credit risk linked to any individual contracting party or to contracting parties that may be regarded as a group due to similarities in credit risk. The Group has not provided any guarantees for third parties' liabilities.

INTEREST RATE RISK

The interest level has significant influence on the consolidated profit. To ensure predictability the Group has preferred short-term interest rates (NIBOR 3 months plus a small mark-up) on its debt. Deposits are linked to the same underlying rate to mitigate the risk related to changes in the NIBOR.

In February 2014, Q-Free refinanced long-term debt with a three-year NOK 100 million loan in Danske Bank.

LIQUIDITY RISK

The Q-Free ASA Group's strategy is to hold sufficient cash, cash equivalents or credit facilities at any time to be able to finance its operations and planned investments over the next three years. Surplus cash funds are deposited in banks or invested in money market funds, with the purpose of securing an acceptable, low-risk return on the invested capital.

The Board of Directors assesses the liquidity at the end of 2014 to be sufficient to cover the company's planned operations and investment requirements.

RISK OF CORRUPTION

Q-Free ASA operates in some geographies and industries exposed to corruption. Q-Free has established a Code of Conduct, as well as conducted a corruption risk analysis and devised an awareness programme to increase awareness and limit our exposure. For further information, please see our CSR report.

KEY INFORMATION

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Organisation number: NO 935 487 242
Founded: 1984

HQ visitors address: Strindfjordvegen 1,
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Norway

FINANCIAL CALENDAR

Ordinary general meeting	20.05.2015
Second quarter 2015	18.08.2015
Third quarter 2015	22.10.2015
Fourth quarter 2015	12.02.2016

BOARD OF DIRECTORS

Terje Christoffersen	Chairman of the Board
Charlotte Brogren	Vice Chairman of the Board
Jan Pihl Grimnes	Board member
Selma Kveim	Board member
Monika Lie Larsen	Employee elected Board member
Anders Hagen	Employee elected Board member

MANAGEMENT

Thomas Falck	CEO
Roar Østbø	CFO
Henrik Stoltenberg	CSO
Jos Nijhuis	CTO
Marianne Sandal	VP RUC
Morten Andersson	VP ATMS and Acting VP NA
Frank Kjelsli	VP Managed Services
Per Fredrik Ecker	VP APMEA
Pedro Bento	VP ELA
Pål-Rune Johansen	VP Nordic
Stein-Tore Nybrodahl	HR Manager

INVESTOR RELATIONS

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