

Q-FREE ASA
Global Headquarters
Strindfjordvegen 1
7053 Ranheim, Norway
Attn. Board of Directors

Oslo, 20 January 2021

Q-FREE ASA – statement with respect to mandatory offer

1. BACKGROUND

SpareBank 1 Markets AS ("**SB1M**") has been engaged by Q-FREE ASA ("**Q-FREE**" or the "**Company**"), in connection with the mandatory offer (the "**Offer**") from Rieber & Søn AS ("**Rieber & Søn**" or the "**Offeror**"), dated 14 January 2021, to acquire all shares in Q-FREE outstanding at the time of the Offer, following a transaction which was announced 15 December 2020, in which 12,066,917 shares in Q-FREE were acquired, giving Rieber & Søn a 41.06% ownership stake in the Company (the "**Transaction**"). Furthermore, subsequent to the Transaction, Rieber & Søn exercised conversion rights for convertible bonds and received acceptance for a limited number of shares. As of the date of this statement, Rieber & Søn owns 50,258,397 shares, representing 46.44% of the share capital and votes in Q-Free (including shares issued or to be issued pursuant to conversion requests from holders of convertible bonds received prior to the publication of this statement).

In relation to the above, the Company has engaged SB1M to provide a fairness opinion and independent assessment of the Offer ("**Statement**") as recommended by the Norwegian Corporate Code ("**NUES**"). For the avoidance of doubt, SB1M has only provided the Statement in connection with the Offer. The opinions expressed in this Statement are prepared for the Board of Q-FREE and may not be relied upon by any third party for any other purposes whatsoever. Evaluations of this nature will always contain an element of uncertainty and although reasonable care and efforts have been exerted, SB1M does not accept any legal or financial liability related to this Statement, nor any consequences resulting from acting to or relying on it.

The Statement is based on an evaluation of publicly available information, including discussions with Q-FREE's management and representatives. SB1M has not reviewed any non-public information related to Q-FREE in connection with this Statement. SB1M has not performed any legal, financial, technical or other due diligence on the Company.

2. THE OFFER

The Offer is NOK 4.7 per share with settlement in cash (the "**Offer Price**"). The offer period is from 15 January 2021 until 12 February 2021 at 16:30 (CET), with an extension option of two weeks (the "**Offer Period**"). The Offeror will finance the Offer through existing cash resources and Rieber & Søn has established a guarantee issued by a financial institution covering the obligation of the Offeror to pay for the shares to be purchased pursuant to the Offer under Section 6-10 (7) of the Securities Trading Act. Settlement is expected to take place within 14 calendar days after the end of the offer period.

Further details are set out in the mandatory offer document dated 14 January 2021 (the "**Offer Document**").

3. ASSESMENT OF THE OFFER

Financial fairness

The evaluation of the Offer has been made on objective criteria, to the extent possible, and on generally accepted and recognized valuation methods that have been deemed relevant and applicable. In addition, SB1M has considered certain other factors that are deemed to be relevant.

The primary methods applied in the review of the financial fairness of the Offer include:

- Review of the recent share price development and trading levels, pre- and post the completed Transaction, also considering the liquidity and turnover levels; and the offer price compared to the Volume Weighted Average Price (VWAP) compared to the Offer announcement date
- Assessment of the Company's relative valuation compared to similar publicly traded companies including the metrics EV-to-Sales and EV-to-EBITDA, also taking into account Q-FREE's relative positioning versus these companies.
- Certain other factors such as the management's track-record, market outlook, and more.

Having applied these methods and based on our considerations, SB1M is of the opinion that the Offer Price is below the current assessed fair market value of the Q-FREE shares.

In addition, the Offer Price represents a discount of 14% to the last close of Q-FREE as of 13 January 2021, i.e. the closing price before the Offer announcement date. Post-announcement of the Transaction and since the Offer Period commenced, Q-FREE has traded at levels above the Offer Price.

4. STATEMENT REGARDING COMPANY'S REPRESENTATIVES AND EMPLOYEES

The Company has around 400 employees, and no particular employee view on the offer has been expressed to the Company or to SB1M. Pursuant to the Offer, the Offeror has no current plans to make changes to the Company's workforce, and the Offer is not expected to have legal, economic, tax related or work-related consequences for the employees in the Company.

SB1M has noted that those board and management members holding shares in the Company have either agreed not to or do not intend to accept the mandatory offer in respect of any shares held by them.

5. CONCLUSION

Overall, SB1M is of the opinion that the Offer Price is below the current assessed fair market value of the Q-FREE shares. It is also noted that the shares currently trade and have traded

for an extended period at a premium to the Offer Price, at meaningful volumes.

SB1M does not express any opinions or any recommendations as to whether or not shareholders of Q-FREE should accept the Offer, but recommend each shareholder to evaluate the Offer carefully on the basis of its individual preference and position. SB1M notes, however, that shareholders wishing to monetize may currently be able to receive a higher consideration by selling their shares in the market as opposed to accepting the Offer.

This Statement including the advice contained herein is based on information as of 18 January 2021, and is subject to change in the case of new information.

On behalf of SpareBank 1 Markets AS,



Tron Østby

Deputy Head of Investment Banking

Important notice

SB1M is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, competitive bidding, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. SB1M will receive a fixed fee for providing this statement. The fee is independent of the conclusions herein and of the success of the Offer and any subsequent transaction, and will be payable upon the delivery of the fairness opinion.

SB1M was engaged as financial advisor to Rieber & Søn in connection with the Transaction. This engagement was concluded following completion of the Transaction, and there are no other current engagements, relationships or similar with Rieber & Søn or any closely related to Rieber & Søn nor do we have any interest in the outcome of the transactions contemplated by the Offer.

In the ordinary course of business, SB1M may actively trade all shares in all of the listed instruments mentioned herein for our own account and for the accounts of customers and accordingly, may at any time hold a long or short position in such securities.

Evaluations of this nature will always contain an element of uncertainty and although reasonable care and efforts have been exerted, SB1M does not accept any legal or financial liability related to this statement, nor any consequences resulting from acting to or relying on it.