

*Prepare for the future...*



# **Presentation Q3 2003**

*...become a part of our innovision*

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- **Revenues NOK 68.5 mill, EBIT NOK - 6.7 mill, profit after tax NOK – 3.9 mill**
- The new company structure implemented and now in operation. One off charge NOK 2 mill in restructuring cost
- OEM licence production of Q-Free transponders in Brazil now running
- Several smaller and a few medium size contracts within ETC Tolling
- The first ETC project in Eastern Europe: Arz Croatia have announced Q-Free as the winner

# Main activities Q3

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- Market activities in Europe, Asia and South America in good progress
- Testing of Q-Free ETC equipment in South Europe is performing well
- Application prequalification for Stockholm submitted
- Preparation of the bid for the national Taiwan ETC project together with Acer
- Offer for the SIS project in Oslo submitted
- Offer for OBU's/tags supplies in Chile submitted

# Profit & Loss Q3 2003 (NOK mill)



	<b>Q3-03</b>	<b>Q3-02</b>	<b>Q2-03</b>	<b>Q1-03</b>	<b>Q4-02</b>
• <b>Revenues:</b>	<b>68.5</b>	<b>56.7</b>	<b>67.9</b>	<b>64.5</b>	<b>66.7</b>
• <b>EBITDA:</b>	<b>- 2.4</b>	<b>- 15.3</b>	<b>- 1.0</b>	<b>- 0.7</b>	<b>- 2.0</b>
• <b>EBIT:</b>	<b>- 6.7</b>	<b>- 19.9</b>	<b>- 3.3</b>	<b>- 4.8</b>	<b>- 6.8</b>
• <b>Profit before tax:</b>	<b>- 4.6</b>	<b>- 23.6</b>	<b>- 4.6</b>	<b>- 3.9</b>	<b>-10.5</b>
• <b>Profit after tax:</b>	<b>- 3.9</b>	<b>- 18.4</b>	<b>- 3.3</b>	<b>- 2.8</b>	<b>- 8.9</b>

**One off charge in Q3-03 NOK 2 mill in restructuring cost**

# Profit & Loss 30.09.03 (NOK mill)



	<b>30.09.03</b>	<b>30.09.02</b>	<b>31.12.02</b>
• <b>Revenues:</b>	<b>200.9</b>	<b>187.6</b>	<b>254.3</b>
• <b>EBITDA:</b>	<b>- 2.1</b>	<b>- 9,1</b>	<b>-11.1</b>
• <b>EBIT:</b>	<b>- 14.8</b>	<b>- 22.6</b>	<b>-29.4</b>
• <b>Profit before tax:</b>	<b>- 13.1</b>	<b>- 28.8</b>	<b>-39.3</b>
• <b>Profit after tax:</b>	<b>- 10.0</b>	<b>- 22,1</b>	<b>-31.0</b>

# Balance Sheet 30.09.03 (NOK mill)



	<b>30.09.03</b>	<b>30.06.03</b>	<b>31.12.02</b>
• <b>Fixed assets:</b>	<b>74.2</b>	<b>75.1</b>	<b>75.3</b>
• <b>Current assets:</b>	<b>259.4</b>	<b>272.0</b>	<b>289.8</b>
– Cash:	89.3	97.5	105.0
• <b>Total assets:</b>	<b>333.6</b>	<b>347.1</b>	<b>365.1</b>
• <b>Equity (80 %)</b>	<b>266.4</b>	<b>269.6</b>	<b>279.0</b>
• <b>Liabilities:</b>	<b>67.2</b>	<b>77.5</b>	<b>86.1</b>
• <b>Total equity/liabilities:</b>	<b>333.6</b>	<b>347.1</b>	<b>365.1</b>

# Balance Sheet Items Q3 03



## –Inventories

- Increased with NOK 6,4 mill. in period.

## –Accounts receivables/revenue recognised, not invoiced

- Decreased with NOK 8,6 mill. due to reduction of accounts receivable.

## –Cash

- NOK 89,3 mill., decreased with NOK 8 mill. due to payments of short term liabilities.

## –Equity

- From NOK 261 mill. to NOK 258 mill. due to result in period (ex.minorities).

## –Long-term liabilities

- From NOK 18,1 mill. to NOK 17,1 mill. Lower deferred tax due to result in period and payment of long-term liabilities to financial institutions.

## –Short-term liabilities

- From NOK 59,4 mill. to NOK 50,0 mill. due to reduction of prepayment from customers and other short-term liabilities.

# Cash Flow (NOK mill.)



	<b>Q3-03</b>	<b>Q3-02</b>	<b>30.09.03</b>	<b>30.09.02</b>
<b>CF from operating activities</b>	<b>- 3.2</b>	<b>8.7</b>	<b>- 0.5</b>	<b>- 44.3</b>
<b>CF from investing activities</b>	<b>- 4.7</b>	<b>- 4.1</b>	<b>- 12.9</b>	<b>- 16.7</b>
<b>CF from financing activities</b>	<b>- 0.3</b>	<b>- 1.1</b>	<b>- 2.3</b>	<b>146.5</b>
<b>Net change in cash and equivalents</b>	<b>- 8.2</b>	<b>3.5</b>	<b>- 15.7</b>	<b>85.5</b>
<b>Cash and cash equivalents IB</b>	<b>97.5</b>	<b>101.7</b>	<b>105.0</b>	<b>19.7</b>
<b>Cash and cash equivalents UB</b>	<b>89.3</b>	<b>105.2</b>	<b>89.3</b>	<b>105.2</b>

- 30.09.2003: NOK 485 mill.
  - Contracts NOK 221 mill.
  - Letter of award NOK 155 mill.
  - Others NOK 109 mill.
- Others include service & maintenance and expected additional orders on installed projects.

# Major Shareholders

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• <b>Q-Free International AS</b>	<b>38.09%</b>
• <b>Lars Andresen</b>	<b>11.04%</b>
• <b>Decibel AS</b>	<b>6.19%</b>
• <b>Datum</b>	<b>5.95%</b>
• <b>Telenor Venture II ASA</b>	<b>5.48%</b>
• <b>Odin Norge</b>	<b>5.01%</b>
• <b>Odin Norden</b>	<b>4.31%</b>
• <b>Skagen Vekst</b>	<b>3.29%</b>
• <b>Orkla ASA</b>	<b>2.54%</b>
• <b>Wega AS</b>	<b>2.29%</b>
• <b>Gambak Fondsforvaltning</b>	<b>2,21%</b>
• <b>Firstnordic Norge Vekst</b>	<b>1.60%</b>
• <b>Gladstad Holding Ltd.</b>	<b>1.01%</b>
• <b>Norsk Hydro Pensjonskasse</b>	<b>0.95%</b>
• <b>Stein Haudemann Andersen</b>	<b>0,48%</b>
• <b>Vital Forsikring ASA</b>	<b>0,47%</b>
• <b>Eikeveien 3 AS</b>	<b>0,43%</b>
• <b>Challenge AS</b>	<b>0.41%</b>
• <b>Orkla Finans</b>	<b>0,35%</b>
• <b>Firstnordic Norge</b>	<b>0,31%</b>
<b>Total shares:</b>	<b>45.583.268</b>

- Germany LKW-Maut project is struggling
  - Image of VPS and Infrared systems might have a setback. Uncertain how this will effect the tolling market but probably no effect in short term. Test case for EU directive.
- Europe and South America stay with single piece transponders, all countries in Asia seem to go for two piece transponders/smart card transponders
- Political demand for local manufacturing, a must in Asia and South America going forward
- Eastern Europe opens up for ETC

- Focusing on several smaller strategic projects and few large ETC projects
- Utilizing Q-Free technology through distribution partners, OEM and license manufacturing
- Establishment of J/Vs with local partners
- Consolidation of medium size system integrators that operate world wide
- Standardisation of DSRC communication link seems to be finalised and CEN standard for voting in Q1 2004