

Q2 2019

Infront ASA – interim report





HIGHLIGHTS

- **Q2 2019 revenue increased 56% to NOK 105.9 million from NOK 68.1 million in Q2 2018**
 - Inclusion of Infront Italia
 - Continued strong quarterly growth in UK, South Africa and Finland
 - Positive contribution from Infront Web Technology solutions
- **Q2 2019 EBITDA of NOK 20.8 million adjusted for M&A costs (NOK 10.7 million)**
 - Strong revenue growth and positive impact from cost synergies partly offset by continued growth investments in organisation, geographic expansion and product development
 - Q2 2019 EBITDA including M&A costs was NOK 10.1 million (NOK 11 million)
- **Number of paying professional users increased to 38.7k, up from 17.7k in Q2 2018**
- **Signed vwd acquisition to become a top-three financial terminal provider in Europe**
 - Added ~50 000 professional users, ~2 400 customers and approximately NOK 700 million of annual revenue
 - Highly complementary operations with significant cross- and upselling opportunities, and significant cost savings identified
 - Platform for future growth across Europe and in other markets
 - Financed through EUR 105 million bond issue and NOK 242.6 million rights issue, both successfully completed in Q2 2019



We are building a very strong platform for future growth across European and international markets with a highly competent organisation and state-of-the-art solutions. The integration process is underway; we have started to explore cross- and upselling opportunities from an expanded product range, and we are capturing significant cost synergies. As a top-three provider of financial terminals in Europe, we are uniquely positioned to offer innovative, value-adding products and services to both existing and new customers.

- Kristian Nesbak, CEO and Founder



OPERATIONAL REVIEW

Financial professionals across Europe and South Africa rely on Infront for global real-time market data, trading, news, and analytics. With the recent acquisition of vwd Group, Infront's product coverage also includes data and feed solutions, portfolio management and advisory solutions, regulatory compliance solutions as well as publication and distribution solutions. Our combined 3 600 customers and over 90 000 professional users benefit from the highest level of expertise in regulation, private wealth, market data and the frictionless interaction of the diverse solutions and products covering their complete workflow. Driven by our clients' business needs, our solutions help users make money, reduce costs, adapt to fast changing market requirements and work more efficiently with ever-increasing amounts of information – quickly, easily and flexibly.

More than 500 employees in 14 countries (Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Netherlands, Norway, Sweden, Switzerland, South Africa, and United Kingdom) apply their expertise to meet the challenges of our clients, ensuring they continuously receive the best solutions and services.

Creating the leading European financial market solutions provider

On 17 July 2019, Infront completed the acquisition of vwd from a fund managed by The Carlyle Group to create the leading European financial market solutions provider. The acquisition of vwd was initially announced on 11 April 2019.

The final purchase price was approximately EUR 130 million on an enterprise value basis financed through the issue of a four-year EUR 105 million bond in April and an over-subscribed NOK 242.6 million rights issue that was completed in June.

The 2018 revenue for the combined company exceeded NOK 1.06 billion and adjusted EBITDA was approximately NOK 170 million, before estimated initial cost savings of NOK 25 million from consolidating data feeds and licenses expected to be realised within a year. Additional cost savings are expected from operational efficiencies and scaling effects. vwd will be included in Infront's financial accounts from the third quarter of 2019.

As a result of the acquisition, the Board of Directors of Infront has unanimously voted to change the presentation currency in the group's consolidated financial statements from Norwegian kroner (NOK) to Euro (EUR) from Q3 2019.



Terminals and Solutions

Terminals and Solutions revenue from external customers was NOK 81.8 million in Q2 2019, an increase of 82% from NOK 44.9 million in Q2 2018 due to the inclusion of Infront Italia, organic growth and new Infront Web Technology agreements. Approximately 44% of the segment's quarterly revenue was recognized in Euro and 34% was recognized in Swedish krona.

Revenue in the UK, South Africa and Finland continued to increase in Q2 2019. The addition of high-quality Italian market data to the Infront Professional Terminal has further strengthened the value proposition to financial professionals in Europe and worldwide. During the quarter, Infront Italia's terminal products were integrated with Infront Professional Terminal and customers' migration to the Infront Professional Terminal is on-track.

Infront also started to migrate customers to Web Trader version 4. This is the latest generation of the Infront web platform which strengthens the value-proposition to financial institutions offering retail trading services to private investors and small and mid-sized corporate customers. The company has seen continued growth throughout the quarter in Custom Web Solutions and has developed a strong pipeline of upcoming projects.

As part of the vwd integration efforts, Infront Web Toolkit is being prepared for group-wide deployment. Infront Web Toolkit powers Infront's Mobile Apps, Infront Web Trader and customer's web sites. The technology enables Infront to rapidly develop independent front-end solutions with high performance and is expected to contribute to additional growth in key markets and provide significant cost-synergies at a group level going forward.

The development of the next generation Infront Professional Terminal is well underway. Innovative features and novel solutions will be released during the fall to strengthen the terminal further. The updated Infront Professional Terminal will further close the gap to the highest end of financial terminals and trading terminals.

Client base

The number of paying professional users increased to 38.7k in Q2 2019 from 17.7k in Q2 2018 due to continued customer growth across all regions and the inclusion of Infront Italia.

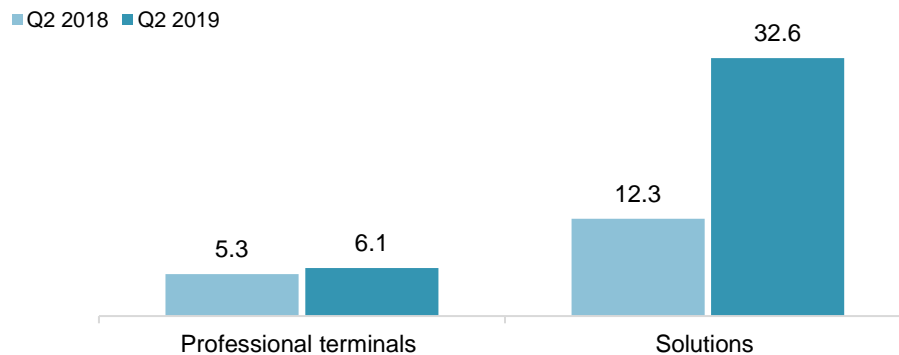
Terminal clients represent paying users of Infront Professional Terminals for market data and analytics, Professional Trading Terminals and users of Infront Italia's professional terminals. Solution users represent paying users of Infront Retail Trading Solutions and other solutions such as FX, mobile and media, and web and feed solution users of Infront Italia. The Infront Web Technology solutions for SEB and Handelsbanken are not measured on a user level and are therefore not included in the user data.

The number of professional terminal users rose 14% and solutions users increased 165% compared to Q2 2018 including the impact of acquired users at Infront Italia.



Number of paying professional users per Infront product:

'000s of users



Infront News

Q2 2019 News revenue from external customers was NOK 14.4 million, a decrease of 1% from Q2 2018 (NOK 14.5 million). 85% of the segment revenue was recognized in Swedish krona.

News service Direkt continued to build on its market leading position and voted best financial news wire in Sweden for the 22nd time, in a yearly ranking done by Hallvarsson & Halvarsson.

In Norway, Infront TDN Direkt showed good momentum, extending its reach by launching a news feed for business media.

Analytics and Other

Q2 2019 Analytics and Other revenue from external customers was NOK 9.7 million, up 11% from Q2 2018 (NOK 8.7 million). Revenue increase reflected steady organic growth in Infront Analytics and revenue synergies due to an increased cooperation with Infront Data.

Under the partnership agreement with FIS, Infront Analytics Visual platform is now available within FIS Marketmap, enabling an improved solution offering to wealth management users. The new agreement includes 200 users minimum from April.



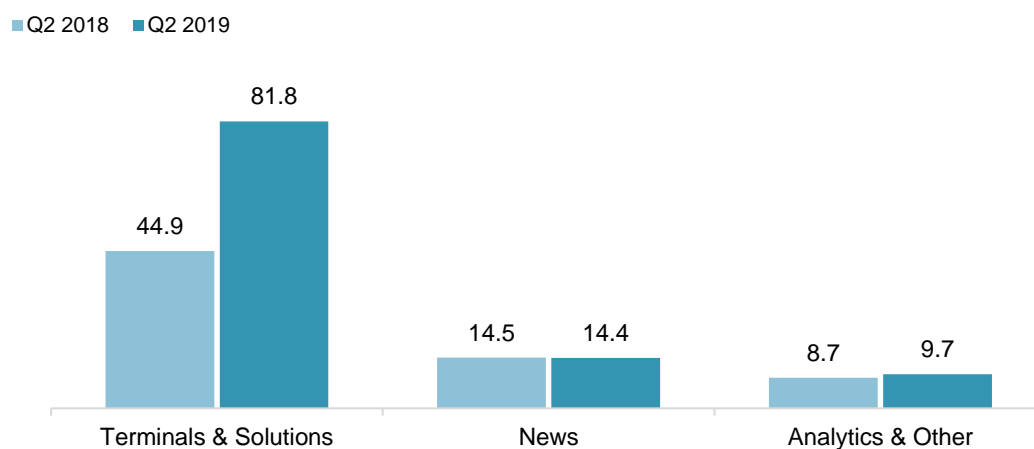
Core product and technology projects progressed through the quarter, including the release of the Infront Estimates platform within Infront Professional Terminal together with Infront Data. The Infront Estimates platform provides quarterly and annual earnings estimates as well as historical data for 1 200 companies across Europe. The company also launched a “Stock Ideas” widget as part of the Infront Web Toolkit solution.

Going forward, key development projects will focus on user entitlement system integrations, connecting the centralized Infront entitlement system with product integrations based on the vwd platform. Infront is also developing additional capabilities on the new back-end architecture with new microservices for company lookup and mapping services, which includes execution of more advanced calculations such as beta, volatility, performances and statistics.

Within Infront Data, the key focus remained on further consolidating the data and IR offering throughout the organisation. The integration process will continue across the group which will also include vwd from Q3 2019.

Revenue per segment:

(NOK million)



Revenue per region

Q2 2019 revenue from Sweden was NOK 37.8 million, an increase of NOK 7% YoY, which reflected the sales growth from Infront Web Technology and a stable development at Infront Direkt.

Revenue in Norway was down at NOK 25.6 million, mainly due to a one-off contract credit in the quarter which had a negative impact on an otherwise stable underlying performance.

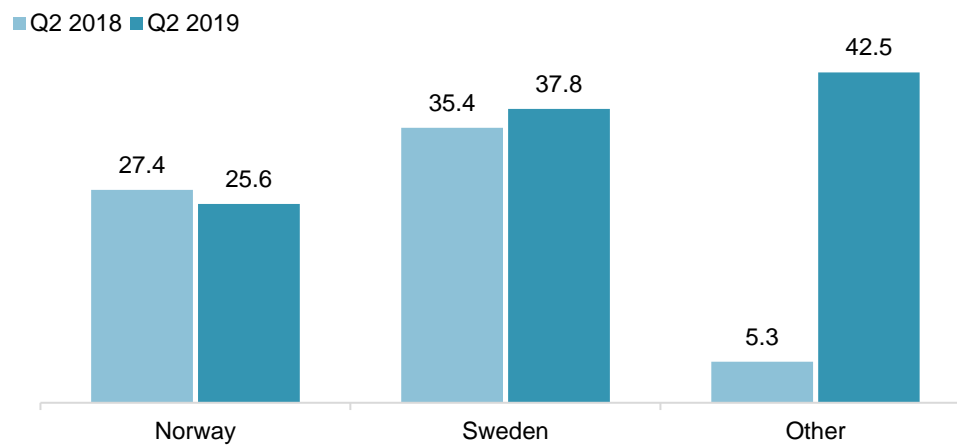


Revenue from Other regions increased to NOK 42.5 million on the full revenue-recognition from Infront Italia and organic growth in UK, South Africa, Finland and other regions.

Sweden, Norway and Italy represented 36%, 24% and 30% respectively, of group revenue in the quarter. Other regions represented the remaining 10%.

Revenue per region:

(NOK million)





Outlook

Infront has built a strong platform for organic growth in Europe and other markets with the completion of the vwd Group transaction. Ensuring a successful integration of vwd and Infront Italia will be a priority in H2 2019 together with exploring the vast potential for up- and cross selling created by the expanded customer base and enhanced product offering.

Infront will proactively seek to further strengthen its position in the European market for terminals to financial professionals and work towards expanding its customer base by leveraging additional data sources, new products and services and an extended geographical reach provided through vwd and Infront Italia. The company will also consider further add-on acquisitions to strengthen its position in selected markets and its overall technology offering.

Infront is committed to delivering outstanding value to its customers through innovative and user-friendly solutions. Continued product development is a key component of the business strategy. In addition to acquisitions and synergy capture, Infront expects continued organic growth in the number of users in all regions to contribute to growth in revenue and earnings in 2019.



FINANCIAL REVIEW

(Figures for the corresponding period in 2018 are shown in brackets)

Profit and Loss Second Quarter

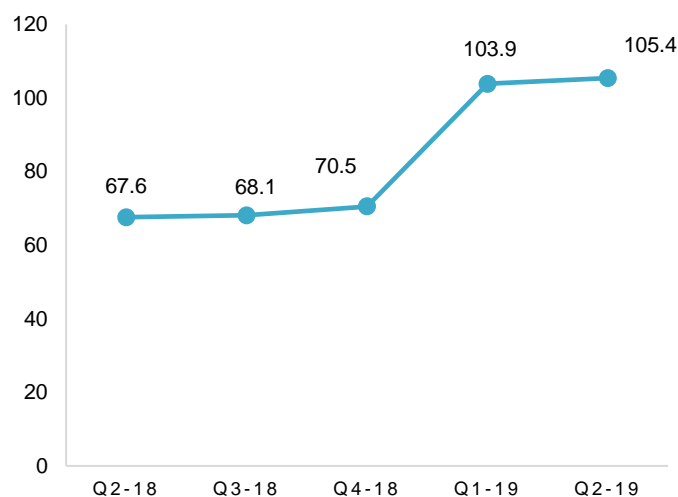
Q2 2019 operating revenue was NOK 105.9 million (NOK 68.1 million), an increase of 56% from the same quarter last year, driven by higher sales and prices across the group, full revenue recognition from Infront Italia, as well as continued growth in new markets led by South Africa and UK.

Q2 2019 EBITDA included vwd Group transaction-related costs of NOK 10.8 million. Adjusted EBITDA increased to NOK 20.8 million from adjusted EBITDA of NOK 10.7 million in Q2 2018. Before implementation of IFRS 16, adjusted EBITDA amounted to NOK 18.6 million compared to NOK 10.7 million in adjusted EBITDA for the same period last year. The increase was mainly due to the inclusion of Infront Italia.

Infront generates most of its revenue from recurring subscription contracts for its services. To date in 2019, Infront has continued to show an underlying growth in subscription revenue, which represented 99% of total sales for the period.

Recurring subscription revenue development

(NOK million)





Cost of services rendered for the period was NOK 40.7 million (NOK 22.1 million). The increase reflected the revenue growth and the full impact from the inclusion of Infront Italia.

Employee-related expenses were NOK 30.8 million (NOK 25 million). The increase reflected additional employees due to the acquisition of Infront Italia and investment in product development for future growth. The group employed 148 FTEs at the end of Q2 2019 (129).

Other operating expenses were NOK 24.3 million in Q2 2019 (NOK 10.3 million). Adjusted for vwd Group transaction-related costs of NOK 10.8 million, other operating expenses amounted to NOK 13.6 million, compared to NOK 10.6 million (adjusted for other income) during the same quarter last year.

Net financial expense was NOK 12.2 million in Q2 2019 (net financial income of NOK 0.2 million). The change was primarily a result of interest costs related to the bond financing and foreign exchange effects.

Income tax income for the period was NOK 1.1 million (income tax expense NOK 0.3 million).

Net loss for this quarter was NOK 9.9 million (net income NOK 6.0 million). This is equivalent to earnings per share of NOK -0.31 (earning NOK 0.21).

Financial position

Total assets as of 30 June 2019 were NOK 1 688.4 million, compared to NOK 393.6 million at the end of December 2018. The increase was primarily driven by the proceeds from the EUR 105 million bond issue on 15 May 2019. The proceeds were on an escrow account until the closing of the acquisition of the vwd Group on 17 July 2019. In addition, the increase reflected an increase of tangible and right-of-use assets and trade and other receivables due to the inclusion of Infront Italia.

The combined book value of Intangible assets and equipment and fixtures amounted to NOK 185.6 million compared to NOK 188 million at the end of December 2018. Right-of-use assets at the end of the period amounted to NOK 36 million. For detailed implementation of IFRS 16 refer to note 8 *Right-of-use assets and lease liabilities (IFRS 16)* in this interim report.

Trade and other receivables were NOK 153.3 million at the end of Q2 2019, compared to NOK 99.3 million at the end of December 2018. The increase mainly reflected the inclusion of Market Connect business in Infront Italia.



At the end of Q2 2019 the cash position was NOK 1 283.8 million, compared to NOK 87 million at the end of 2018. The increase was in all majority due to the proceeds from the equity and bond issue. As at 30 June 2019 the bond proceeds on escrow amounted to NOK 993 million.

Total non-current liabilities at the end of Q2 2019 were NOK 1 043.5 million, compared to NOK 82.1 million at the end of 2018. The increase was primarily due to the bond issue (recognized as of 30 June at an amortized cost of NOK 991.8 million) and non-current lease liabilities of NOK 29.9 million from the implementation of IFRS 16.

Current liabilities at the end of Q2 2019 were NOK 270.1 million, compared to NOK 164.5 million at the end of 2018. The increase reflected the full impact from inclusion of acquired Market Connect business in Infront Italia and the current lease liabilities from implemented IFRS 16.

Cash Flow

Net cash flow from operational activities was NOK 1.1 million at the end of H1 2019 (NOK 18.1 million). Cash flow experienced a negative impact from costs related to the acquisition of vwd Group and net working capital movements reduced cash flow by NOK 15.2 million in the first half of 2019 which was offset by NOK 17.3 million in depreciation and amortization.

Net cash flow from investing activities was negative at NOK 16.6 million (negative NOK 24.7 million). Investments per H1 2019 were related to SIX transaction-related payments of NOK 4.0 million, investments in new office and IT equipment of NOK 4.4 million and investments in software developments of NOK 8.2 million in the period.

Net cash flow from financing activities was at NOK 1 215.1 million (negative 10.5 million). The financing cash flow reflected mainly the proceeds from equity and bond issue of NOK 227.2 million and NOK 991.9 million respectively.

Risk and uncertainties

Infront operates in a highly competitive and global market. The company's success is dependent on a variety of factors, such as its proprietary technology, sales and marketing and the like. Infront's ambition is to grow, both organically and through M&A, which may require additional capital. Infront operates across various regions and is exposed to currency exchange rate fluctuations as well as subjected to various local tax laws, which may affect earnings.



For the second half of 2019, Infront will allocate significant resources to the integration of vwd Group following the completion of the acquisition on 17 July. For additional information, please refer to the latest annual report available at www.infrontfinance.com.



INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Consolidated income statement

(unaudited)

(NOK 1.000)	Note	Q2 2019	Q2 2018	YTD 2019	YTD 2018
Revenues	2	105 927	68 105	209 871	137 018
Total operating revenues		105 927	68 105	209 871	137 018
Cost of services rendered		40 697	22 139	82 729	45 115
Salary and personnel expenses	4, 7	30 829	24 996	60 935	49 811
Other operating expenses	8	24 335	10 294	39 076	16 926
Depreciation and amortization	8	8 873	4 863	17 301	10 012
Other income		-	-290	-	-290
Total operating expenses		104 735	62 001	200 040	121 573
Operating profit		1 192	6 104	10 709	15 445
Financial income		12 790	2 178	17 276	7 139
Financial expenses	8	-24 991	-2 018	-27 882	-2 593
Financial income/(expenses) - net		-12 201	161	-10 606	4 546
Profit before income tax		-11 009	6 264	104	19 991
Income tax expenses		1 081	-257	177	-2 100
Profit for the period		-9 927	6 007	281	17 891
Profit is attributable to:					
Owners of Infront ASA		-9 927	6 007	281	17 891
Non-controlling interests		-	-	-	-
		-9 927	6 007	281	17 891
Earnings per share					
Basic and diluted earnings per share	9	-0.31	0.21	0.01	0.62
Number of basic/(diluted) shares outstanding		43 329 760	25 997 856	43 329 760	25 997 856
Average number of basic/(diluted) shares		28 886 507	25 997 856	27 442 181	25 997 856



Statement of comprehensive income

(unaudited)

(NOK 1.000)	Note	Q2 2019	Q2 2018	YTD 2019	YTD 2018
Profit for the period		-9 927	6 007	281	17 891
<i>Other comprehensive income (net of tax):</i>					
Exchange differences on translation of Foreign operations		44	-2 384	-3 966	-6 884
Total comprehensive income for the period		-9 883	3 623	-3 685	11 007
Total comprehensive income is attributable to:					
Owners of Infront ASA		-9 883	3 623	-466	11 007
Non-controlling interests		-	-	-	-



Consolidated statement of financial position

(unaudited)

(NOK 1.000)	Note	30.06.2019	31.12.2018
ASSETS			
Non-current assets			
Equipment and fixtures		6 809	3 168
Right-of-use assets	8	35 979	-
Intangible assets		178 812	184 800
Deferred tax asset		14 999	5 718
Pension assets		482	398
Receivables		14 219	13 254
Total non-current assets		251 299	207 338
Current assets			
Trade and other receivables		153 320	99 321
Cash and cash equivalents		1 283 821	86 953
Total current assets		1 437 141	186 274
TOTAL ASSETS		1 688 441	393 612
(NOK 1.000)	Note	30.06.2019	31.12.2018
EQUITY AND LIABILITIES			
Equity			
Share capital		4 333	2 600
Share premium		333 774	105 284
Share option program	7	2 144	994
Other equity		34 523	38 139
Total equity attributable to owners of the parent		374 774	147 017
Non-controlling interests		-	-
Total equity		374 774	147 017
Non-current liabilities			
Borrowings		982 122	52 726
Lease liabilities	8	29 894	-
Derivative financial instruments		-	-
Pension liabilities		3 162	2 425
Deferred tax liabilities		3 405	1 002
Other non-current financial liabilities		24 943	25 934
Total non-current liabilities		1 043 527	82 087
Current liabilities			
Borrowings		57 817	7 541
Current lease liabilities	8	5 930	-
Trade and other payables		138 723	104 635
Other current financial liabilities		18 621	12 926
Deferred revenue		48 940	37 493
Current tax liabilities		109	1 914
Total current liabilities		270 140	164 509
Total liabilities		1 313 667	246 597
TOTAL EQUITY AND LIABILITIES		1 688 441	393 612



Consolidated statement of cash flows

(unaudited)

(NOK 1.000)	Note	YTD Q2 2019	YTD Q2 2018
Cash flows from operating activities			
Profit (loss) before tax		104	19 991
<i>Adjustments for</i>			
Taxes paid		-1 805	-4 140
Depreciation, amortization and net impairment losses		17 301	10 012
Pension expense without cash effect		702	153
Changes in conditional consideration		-	-
<i>Change in operating assets and liabilities, net of effects from purchase of controlled entities</i>			
Change in trade receivable and other receivables		-80 026	2 315
Change in derivative financial instruments		-	-
Change in provisions		-	-3 073
Change in deferred revenue		29 026	-784
Change in trade and other payables		35 814	-6 394
Net cash inflow from operating activities		1 115	18 080
Cash flows from investing activities			
Payment for acquisitions of subsidiary, net of cash acquired	6	-	-5 839
Payment for intangible assets		-3 968	-12 800
Payment for property, plant and equipment		-4 381	-552
Payment for software development costs		-8 207	-5 530
Receipt of government grants		-	-
Net cash outflow from investing activities		-16 556	-24 721
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		227 208	-
Proceeds from borrowings		-	-85
Repayments of borrowings		-	-
Repayments of lease liabilities	8	-3 988	-
Proceeds from bond issue		991 869	-
Dividends paid		-	-10 399
Net cash inflow from financing activities		1 215 089	-10 484
Net increase/(decrease) in cash and cash equivalents		1 199 649	-17 125
Cash and cash equivalents at beginning of period		86 953	-3 970
Effects of exchange rate changes on cash and cash equivalents		-2 781	122 796
Cash and cash equivalents at end of period		1 283 821	101 701



Consolidated statement of changes in equity

(unaudited)

(NOK 1.000)	Share capital	Share premium	Treasury shares	Share option program	Translation differences	Retained earnings	Attributable the owners of the parent	Minority interest	Total equity
Balance at 31 December 2017	2 600	105 284	-	-	2 135	25 038	135 054	2 681	137 735
Profit/loss for the year	-	-	-	-	-	16 525	16 525	-	16 525
Currency translation differences	-	-	-	-	36	-	36	-	36
Acquisition of non-controlling interest	-	-	-	-	-3 158	-	-3 158	-2 681	-5 839
Put option to non-controlling interest	-	-	-	-	7 962	-	7 962	-	7 962
Share Option program	-	-	-	994	-	-	994	-	994
Dividend	-	-	-	-	-10 399	-	-10 399	-	-10 399
Balance at 31 December 2018	2 600	105 284	-	994	-3 424	41 563	147 017	-	147 017
Profit/loss for 1 January to 30 June 2019	-	-	-	-	-	281	281	-	281
Currency translation differences	-	-	-	-	-3 966	-	-3 966	-	-3 966
Share option program	-	-	-	1 217	-	-	1 217	-	1 217
Dividend	-	-	-	-	-	-	-	-	-
Equity issue	1 733	228 490	-	-	-	-	230 224	-	230 224
Balance at 30 June 2019	4 333	333 775	-	2 210	-7 390	41 844	374 774	-	374 774



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Accounting principles

General Information

Infront ASA, the parent company of the Infront Group (the Group) is a limited liability company incorporated and domiciled in Norway, with its head office in Munkedamsveien 45, 0250 Oslo.

The Group is a leading market data and trading solution provider in the Nordics. The Infront terminal is an intuitive and flexible terminal within the financial markets offering global real-time market data, trading, news and analytics covering key markets. In addition, the Group comprises the leading financial news agencies in Sweden and Norway.

These consolidated financial statements have been approved for issuance by the Board of Directors on 21 August 2019.

Basis of Preparation

The interim consolidated financial statements for the second quarter 2019, ending 30 June 2019, were prepared in accordance with IAS 34 Interim Financial Reporting. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual report for 2018.

The accounting policies adopted in the interim financial statements are consistent with the standards and interpretations followed in the preparation of the Group's annual financial statements for the year ended 31 December 2018.

The standards and interpretations effective from 1 January 2019 do not have a significant impact on the Group's consolidated interim financial statements with the exception of IFRS 16 which is presented in Note 8.



Note 2. Segment information

(NOK 1.000)

Revenue by region as of 30.06.2019

	Norway	Sweden	Other	Eliminations	Consolidated
Revenue					
External customers	52 049	73 271	85 429	-	210 750
Inter-segment	42 100	13 786	4 446	-60 333	-
Total revenue	94 149	87 058	89 876	-60 333	210 750
EBITDA	-32 146	44 370	15 786	-	28 010
Inter-segment	24 209	-28 656	4 446	-	-
Total assets	1 370 790	67 066	250 585	-	1 688 441
Inter-segment	116 027	39 625	24 703	-180 355	-
Total liabilities	1 116 338	37 621	159 708	-	1 313 667
Inter-segment	-20 274	40 317	106 716	-126 759	-
Depreciation and amortization	10 073	1 870	5 357	-	17 301
Inter-segment	-1 334	-1 035	-611	2 980	-

Revenue by region as of 30.06.2018

	Norway	Sweden	Other	Eliminations	Consolidated
Revenue					
External customers	54 288	71 860	10 870	-	137 018
Inter-segment	24 931	14 062	4 238	-43 230	-
Total revenue	79 219	85 921	15 108	-43 230	137 018
EBITDA	-14 293	43 536	-3 786	-	25 456
Inter-segment	7 584	-11 821	4 238	-	-
Total assets	197 158	37 398	7 199	-	241 754
Inter-segment	14 489	55 019	20 739	-90 246	-
Total liabilities	70 572	21 002	10 033	-	101 607
Inter-segment	-1 102	33 942	12 939	-45 779	-
Depreciation and amortization	9 071	884	58	-	10 012
Inter-segment	-2 611	-159	-	2 770	-



(NOK 1.000)

Product breakdown as of 30.06.2019

	Terminals and Solutions	News	Analytics and Other	Eliminations	Consolidated
Revenue					
External customers	163 393	27 903	19 454	-	210 750
Inter-segment	39 762	13 022	7 548	-60 333	-
Total revenue	203 155	40 925	27 002	-60 333	210 750
EBITDA	15 417	8 947	3 646	-	28 010
Inter-segment	-17 541	10 504	7 037	-	-
Total assets	1 636 792	43 805	7 844	-	1 688 441
Inter-segment	128 945	20 133	31 278	-180 355	-
Total liabilities	1 267 165	30 602	15 899	-	1 313 667
Inter-segment	115 885	9 344	1 530	-126 759	-
Depreciation and amortization	14 807	1 257	1 237	-	17 301
Inter-segment	-4 135	-1 131	-486	5 752	-

Product breakdown as of 30.06.2018

	Terminals and Solutions	News	Analytics and Other	Eliminations	Consolidated
Revenue					
External customers	90 139	29 306	17 572	-	137 018
Inter-segment	22 947	13 779	6 505	-43 230	-
Total revenue	113 086	43 085	24 078	-43 230	137 018
EBITDA	13 900	8 189	3 368	-	25 456
Inter-segment	-16 872	10 792	6 079	-	-
Total assets	218 062	18 625	5 067	-	241 754
Inter-segment	32 197	30 786	27 263	-90 246	-
Total liabilities	86 136	15 335	137	-	101 607
Inter-segment	18 017	14 430	13 332	-45 779	-
Depreciation and amortization	9 178	222	612	-	10 012
Inter-segment	-2 563	-48	-159	2 770	-



Disaggregation of revenues (IFRS 15)

The group's total revenue is disaggregated by major revenue streams by geographical areas and by product segments shown in the tables above. However, the reportable product segments are often aggregated to form single reportable segments for geographical areas due to the integrated service across group and the licenses are often sold together. It is, however, not possible to obtain information in order to present the revenue streams in a disaggregated level across both reportable product segments and geographical areas. Therefore, the disaggregation of income is not included in this note. The group's revenue are subscription based revenues which consist of: terminal subscription revenue which was obtained on a regular monthly (up to annual) basis and recurring; solution subscription revenue which was obtained by the time of delivery of service with inclusion of the initial entrance service, and thereafter become regular recurring subscription revenue.

Contract assets and liabilities vary to an extent throughout the reporting period. The majority of customers are invoiced in advance for monthly, quarterly or on an annual basis for the subscriptions. The Group has customers who are invoiced after the service are rendered, monthly. Contract liabilities (deferred income) are therefore registered in relation to the payments invoiced in advance monthly, quarterly or annually to customers. Customers have payment terms varying from 14-45 days.



Note 3. Transactions with related parties

Transactions with associated companies

The Group has various transactions with associated companies. All the transactions have been carried out as part of the ordinary operations and at arms-length prices. The most significant transactions are as follows:

(NOK 1.000)

Per 30.06.2019		Sales to related parties	Purchases from related parties
Infront ASA	Norway	39 350	17 510
TDN Finans AS	Norway	2 750	380
Infront Sweden AB	Sweden	412	39 792
Nyhetsbyrån Direkt AB	Sweden	10 272	2 138
Infront Data AB	Sweden	3 102	512
Infront Analytics SAS	France	4 446	-
Group total		60 333	60 333

Per 30.06.2018		Sales to related parties	Purchases from related parties
Infront ASA	Norway	22 608	16 863
TDN Finans AS	Norway	2 324	485
The Online Trader Sweden AB	Sweden	339	22 956
Nyhetsbyrån Direkt AB	Sweden	11 455	2 502
Infront Data AB	Sweden	2 268	426
Infront Analytics SAS	France	4 238	-
Group total		43 230	43 230



Note 4. Number of employees

Number of employees (full-time equivalents) at the end of the first quarter was 148 in 2019 and 129 in 2018.

Note 5. Investment in subsidiaries

30.06.2019

Company	Date of acquisition	Consolidated (yes/no)	Registered office	Voting share	Ownership share
Infront Sweden AB	14.03.2007	yes	Stockholm	100%	100%
Nyhetsbyrån Direkt AB	01.12.2008	yes	Stockholm	100%	100%
CatalystOne AS	30.10.2009	yes	Oslo	100%	100%
Infront Analytics SAS	04.06.2012	yes	Paris	100%	100%
Infront Financial Information Ltd	03.07.2015	yes	London	100%	100%
TDN Finans AS	22.04.2016	yes	Oslo	100%	100%
Infront SA (Pty) Ltd	05.10.2016	yes	Johannesburg	100%	100%
Infront Data AB	07.03.2017	yes	Stockholm	100%	100%
Infront Finland OY	28.09.2017	yes	Helsinki	100%	100%
Infront Italia SRL	29.11.2018	yes	Milan	100%	100%
Blitz F19-516 GmbH	30.04.2019	yes	Frankfurt	100%	100%



Note 6. Business combination

Market Connect

On 20 December 2018, Infront Group acquired Market Connect division from Spafid Connect S.p.A, a subsidiary of Mediobanca S.p.A based in Italy, with agreed purchase price of EUR 8.5 million. The full financial impact was included in the newly incorporated entity Infront Italia SRL and was consolidated in the Q1 2019 financial statements. More details regarding this acquisition refer to Infront group annual report 2018 note 22 Business combination- Acquisition of Market Connect.

vwd Group GmbH

On 17 July 2019, Infront Group acquired vwd Group GmbH from a fund managed by The Carlyle Group with agreed purchase price of EUR 130 million. Infront Group acquired 100% of the shares in the vwd Group GmbH.

About vwd Group

vwd Group is a financial data terminal and complementary service solutions provider in the European market serving the wealth management industry. vwd Group GmbH is a limited liability company domiciled and incorporated in Germany, headquartered in Frankfurt (Mainzer Landstraße 178 – 190, 60327 Frankfurt am Main). The group has 14 locations in six countries in Europe.

vwd Group offers a fully-integrated, module-based and fully-scalable SaaS platform focused on Data and Feed Solutions ("DFS", term used interchangeably with financial data terminals), Portfolio and Advisory Solutions ("PAS"), Publication and Distribution Solutions ("PDS") and Regulatory and Calculation Solutions ("RCS"). vwd Group has deployed more than 50 000 workstations to approximately 2 400 Business to Business ("B2B") customers. Clients mainly comprise banks, asset managers, wealth managers, corporates, media and insurance. The solutions are offered on subscription basis with module- and volume-based fees.

Background and reasons for the transaction

The market for financial data terminals and complementary service solutions is changing. The competitive landscape is expected to be increasingly dominated by larger players offering a wider set of solutions and services going forward. The Transaction is expected to allow Infront to strengthen and complement its current financial data terminals offering and expand further into the value chain through addition of complementary service solutions, particularly within wealth management. Further, the management of Infront believes that the transaction will add significant



scale, both operationally, geographically and financially. On this basis, Infront expects to provide their customers with a better and wider set of products, services and solutions following the Transaction. This is in turn expected to significantly improve Infront's value proposition.

Purchase price

The final purchase price EUR 130.663 thousand. The consideration was paid for the vwd Group was based on an enterprise value of EUR 130 million on a cash and debt free basis and with a net working capital at an agreed level. The purchase price was paid in cash. The vwd Group's external debt at the time of closing, comprising of bank facilities in the total amount of approximately EUR 35,6 million, was repaid at closing.

Financing

The transaction was financed through an equity and bond issue. The bond loan has per 30 June 2019 a total outstanding amount of EUR 105 million with a EUR 200 million borrowing limit maturing 15 May 2023. The bond has a floating coupon of EURIBOR + 5.75% p.a. The bond is senior secured.

The equity issue was completed 28 June 2019. The gross proceeds from the equity issue was NOK 242.6 million excluding direct transactions costs of NOK 16 million (pre-tax) which has been recognised in equity.

The bond issue was completed on 15 May 2019. The proceeds from the bond issue were EUR 105 million excluding direct transaction costs of EUR 3.7 million (pre-tax). The transaction costs have been recognised in the amortized cost of the bond. Between 15 May 2019 and the closing of the acquisition on 17 July 2019 the proceeds from the bond were held in an escrow account.

Recognition of the acquisition and initial accounting

The acquisition of vwd Group will be recognised as a business combination in accordance with IFRS 3 *Business Combinations*. Infront Group is the acquirer and vwd Group the acquiree. Control was established on 17 July 2019 and assets, liabilities, equity interest and other items of consideration will be recognised in the Infront Group's consolidated financial statements as of this date.

At the time of issue of the quarterly report for the financial reporting ending 30 June 2019, the initial accounting for the business combination is incomplete. vwd Group was until 17 July 2019 privately held and had no requirements for quarterly reporting in accordance with IFRS as adopted by the EU. The fair value of the identifiable acquired assets, liabilities and other items are pending the final valuations.

We have determined that it is impracticable to present details of the goodwill, acquired assets and liabilities at the time of the issue of this report without undue effort.



Note 7. Share options

On 27 June 2018, the Board resolved to issue share options to management of the Company. The resolution was made on the basis of the approval by the Annual General Meeting of 27 April 2018 to authorize the Board of Directors of Infront ASA to issue new shares to management under a long-term incentive program.

A total of 1 032 927 options for shares of the Company were distributed amongst management 26 June 2018. Each option, when exercised, will give the right to acquire one share in the Company. The options are granted without consideration. Pursuant to the vesting schedule, 1/3 of the options will vest annually after the grant date (as long as the option holder is still engaged by the Company). The exercise price is equal to NOK 27.13 per share. Any options not exercised by the 5th anniversary of the grant date will be void.

The share option program consists of three tranches, as displayed in the table below:

Allotment of share options	Fair value (NOK)	Strike price	Grant date	Vesting date	Expiry date	Latest exercise schedule	Total number of share options	Exercised share options	Average exercise price	Remaining share options
Tranche I	928 096	27.13	26/06/2018	26/06/2019	26/06/2023	NA	266 840	-	-	266 840
Tranche II	1 317 683	27.13	26/06/2018	26/06/2020	26/06/2023	NA	266 840	-	-	266 840
Tranche III	1 630 072	27.13	26/06/2018	26/06/2021	26/06/2023	NA	266 840	-	-	266 840
Total	3 875 851						800 520	-	-	800 520



Fair value of the options

The fair value of the options is determined when the options are allotted and expensed over the vesting period. The fair value at grant date is determined using an adjusted form of the Black-Scholes Model, that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at the grant date, expected price volatility of the underlying share and risk-free interest rate. The expected share price volatility is based on historical volatility for a selection of comparable listed companies. Risk free interest rate is based on treasury bonds with similar duration as the option program.

Share options currently held by primary insiders of Infront ASA:

Name	Position	Number of share options
Max Martin Hofer	CFO	387 347
Joachim Rosli	Head of Sales	103 293
SUM		490 640



Note 8. Right-of-use assets and lease liabilities (IFRS 16)

IFRS 16 was implemented for the Group with effect as of 01.01.2019.

On transition to IFRS 16, the Group recognized NOK 39.1 million in right-of-use assets and NOK 39.1 million of lease liabilities at the beginning of the year.

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The adoption of IFRS 16 has resulted in the Group recognizing right-of-use (ROU) assets and lease liabilities for all contracts that are, or contain, a lease.

The Group has applied the modified retrospective adoption method in IFRS 16, and accordingly comparative information has not been restated. In addition, right-of-use assets have been measured by reference to the measurement of the lease liability on transition date.

The Group has applied the following practical expedients to leases previously classified as operating leases at the date on initial application:

- Exemption for short-term leases (defined as 12 months or less)
- Exemption for low value assets
- Use of a single discount rate to a portfolio of leases with similar characteristics
- Excluded any initial direct costs from the measurement of the right-of-use asset
- Applied hindsight when determining the lease term for contracts containing options

The Group's lease consists of office buildings. The movements of the Group's right-of-use assets and lease liabilities are presented below:

Right-of-use assets	Office buildings
(NOK 1.000)	
<i>Acquisition cost 01.01.2019</i>	39 056
Additions	-
Disposals and write-downs	-
<i>Acquisition costs 30.06.2019</i>	39 056
<i>Accumulated depreciation and impairment 01.01.2019</i>	-
Depreciation	-2 980
Impairment losses in the period	-
Disposals	-



Transfers and reclassifications	-97
<i>Total right-of-use assets as of 30.06.2019</i>	35 979

Lease liabilities

(NOK 1.000)

<i>At initial implementation 01.01.2019</i>	39 056
New lease liabilities in the period	-
Leasing payments for the principal portion of the lease liability	-3 988
Interest expenses on lease liabilities	852
<i>Total lease liabilities at 30.06.2019</i>	35 824

Whereof:

Current lease liabilities within 1 year	5 930
Non-current lease liabilities over 1 year	29 894

IFRS 16 effects on the income statement 30.06.2019

(+) positive effect (-) negative effect

(NOK 1.000)

Depreciation	-2 980
Leasing payments for the principal portion of the lease liability	3 988
<i>Effect on Operating profit in the period</i>	1 007
Interest expense on lease liabilities	-852
<i>Effect on profit before income tax in the period</i>	156



Note 9. Earnings per share

Basic earnings per share calculations are based on the weighted average number of common shares outstanding during the period, while diluted earnings per share calculations are performed using the average number of common shares and dilutive common shares equivalents outstanding during each period.

The strike price of the granted options under the share-based payment arrangement is higher than the average market price of ordinary shares in the period. The options have no dilutive effect and basic and diluted EPS will be equal.

The denominator for the purposes of calculating basic/diluted earnings per share have been adjusted to reflect the issue in June 2019. Earnings per share for previous periods have been restated to reflect the change.

	Q2 2019	Q2 2018	YTD 2019	YTD 2018
Profit in the period	-9 927	6 007	281	17 891
Number of shares outstanding	43 329 760	25 997 856	43 329 760	25 997 856
Average number of basic/(diluted) shares	28 886 507	25 997 856	27 442 181	25 997 856
Basic and diluted earnings per share previously reported		0.23		0.69
Basic and diluted earnings per share - adjusted for equity issue	- 0.31	0.21	0.01	0.62



Note 10. Subsequent events

The Board of Directors shall disclose a non-adjusting event (IAS 10) after the ending of reporting period.

The acquisition of vwd Group GmbH took place on 17 July 2019. Please refer to Note 6 - Business Combinations.

The Board of Directors decided to change the group's presentation currency from NOK to EUR with effect from the Q3 2019 financial report. With the inclusion of vwd Group a majority of the group's revenues and expenses as well as financing is denominated in EUR. The Board considers that EUR as presentation currency will benefit Infront Group's investors and stakeholders by removing foreign currency translation effects with subsequent increased comparability from period to period.

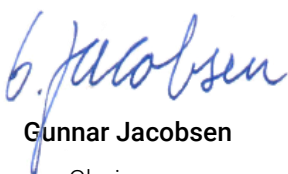


RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2019 has been prepared in accordance with IAS 34-Interim Financial Reporting and gives a true and fair view of the Infront group's assets, liabilities, financial position and results for the period. We also confirm, to the best of our knowledge, that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

The Board of Directors of Infront ASA

Oslo, 21 August 2019



Gunnar Jacobsen

Chairman



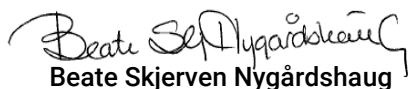
Torun Reinhammar

Board member



Mark Ivin

Board member



Beate Skjerven Nygårdshaug

Board member



Kristian Nesbak

CEO



DEFINITIONS AND GLOSSARY

Alternative Performance Measures and certain terms used

The Group's financial information in this interim report is prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the Group presents certain non-IFRS financial measures/alternative performance measures (APM):

- EBITDA represents operating profit before depreciation, amortization and impairment
- Adjusted EBITDA represents EBITDA adjusted for M&A- related costs and other income
- Quarterly recurring revenue represents quarterly recurring operating revenue

The non-IFRS financial measures/APM presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The non-IFRS financial measures/APM presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Company believes that the non-IFRS measures/APM presented herein are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred), business practice or based on non-operating factors. Accordingly, the Group discloses the non-IFRS financial measures/APM presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies and across periods, and of the Group's ability to service its debt. Because companies calculate the non-IFRS financial measures/APM presented herein differently, the Group's presentation of these non-IFRS financial measures/APM may not be comparable to similarly titled measures used by other companies.

The non-IFRS financial measure/APM are not part of the Company's Consolidated Financial Statements, and are thereby not audited. The Company can give no assurance as to the correctness of such non-IFRS financial measures/APM and investors are cautioned that such information involve known and unknown risks, uncertainties and other factors, and are based on



numerous assumptions. Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these non-IFRS financial measures/APM.

For definitions of certain terms and metrics used throughout this interim report, see the table below.

The following definitions and glossary apply in this interim report unless otherwise dictated by the context.

APM	Alternative Performance Measure as defined in ESMA Guidelines on Alternative Performance Measures dated 5 October 2015
Group	The Company and its subsidiaries
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards as adopted by the EU
Interim Financial Statements	The Group's unaudited financial statements as of, and for the three month period ended, 30 June 2019
IPO	Initial public offering
M&A	Mergers and acquisitions
MiFID II	Directive 2014/65/EU

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Discover. Analyze. Trade.

