



Q4 2020

Infront ASA – Interim Report



HIGHLIGHTS

(Figures for the corresponding period in 2019 are shown in brackets)

- **Q4 2020 group revenue of EUR 29.7 million (EUR 28.5 million)**
 - YoY increase driven by higher volume-based revenues in German subsidiary
 - ~5x increase in monthly transaction volumes since the beginning of the year
 - Higher project-related revenues towards year-end
 - Subscription based ARR of EUR 104 million at the end of the quarter (EUR 102 million)
- **Q4 2020 adjusted EBITDA of EUR 6.2 million (EUR 4.8 million)**
 - Reported EBITDA of EUR 5.7 million (EUR 6.3 million) with no integration items (related to vwd Group) during the quarter
 - Quarterly P&L impact of cost-synergies with vwd Group reaching EUR 1.2 million
- **Initial stage of cost synergies (EUR 6 million) almost achieved**
 - Next stage of cost synergies involves larger bulk items linked to insourcing projects, successful product migrations and other initiatives with quarterly timing less certain
- **Completed acquisition of NBTrader**
- **On 15 December 2020, Inflexion Private Equity Partners LLP announced that Dash Bidco will launch an offer to acquire all outstanding shares of Infront ASA at 34.4 NOK per share**
 - The offer was formally launched on 25 January 2021. The offer period will last until 15 February 2021, subject to extension
- **Adapted to new working environment, following COVID-19 outbreak**
 - Continued focus on employee health and complying with local guidance
 - Focus on developing and delivering state-of-the-art products and solutions, regardless of our market- and work-environment



Infront finished 2020 with full-year revenues remaining stable (adjusting for consolidation of vwd Group for all of 2019). Considering the prolonged lockdown periods that negatively affected our marketing activities and all our integration efforts that have shifted much of our focus inwards, our topline development is definitely something we can all be proud of.

As we enter 2021, the initial phase of cost synergies is almost achieved with a total of EUR 5.8 million in realized cost synergies with vwd Group. When we reach the end of Q1 2021, we will have reached total cost savings of EUR 6 million through combining better data-sourcing and various operational efficiencies.

Going forward the integration efforts will be even more customer oriented, and probably more demanding due to several interdependencies between projects. In many instances, this will require important investments in both capital and internal resource allocation. However, when we eventually reach the end of the tunnel, our product portfolio will be more tailored and better adapted for our pan-European growth ambitions.

- 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 acquisition of vwd Group, Infront's product coverage now also includes data and feed solutions, portfolio management and advisory solutions, regulatory compliance solutions as well as publication and distribution solutions. Customers and end-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 clients' business needs, Infront's 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.

Approximately 500 employees in more than 10 countries apply their expertise to meet the challenges of our clients, ensuring they continuously receive the best solutions and services.

The COVID-19 outbreak has had a great social and economic impact worldwide. The first and most important part of the groups' response to COVID-19 has been to ensure the health of employees and to safeguard operational stability through a period of heightened market activity. Furthermore, the group has performed a risk assessment with regards to COVID-19 covering the following areas:

1. Potential for operational disruption
2. Risk of reduced sales
3. Counterparty risk
4. Liquidity risk and working capital shortfalls

Based on the assessments made so far, the group has not observed any significant short-term threats to our business. The nature of the business model and the operations (mainly subscription based) of the group mitigate the initial consequences of COVID-19 measures taken by governments and corporations. The group will continue to closely monitor the situation and the effects it may have on Infront.

As of Q4 2020, the business is organized in the segments Infront Solutions and Terminal, **vwd Group** and **News and Other**.



Infront Solutions and Terminal

Solutions and Terminal revenue from external customers was EUR 9.5 million in Q4 2020, compared to EUR 8.3 million in Q4 2019. Approximately 42% of segment revenue was recognized in Euro and 35% in Swedish krona.

In 2020 despite the quite critical situation due to Covid-19, Infront Italia has been able to keep the customer base and extend the presence in the Online Broker Digital Banking sector. Infront Italia obtained also interesting results starting to sell the Infront Professional Terminal - Trading Version to some new financial customers.

In Q4 2020, Infront Analytics continued the migration of widgets initiated in Q3 to the new Group Web Toolkit. After a research phase conducted during the previous quarter, a new aggregates module has started being developed to improve our flexibility and performances on data aggregates calculations. The integration of a new data provider (Morningstar) has also been initiated in Q4 in Paris database and Backend with the goal to serve group products with companies semi-static data. A huge work has been done on the Excel Add-in to make it available for users on Azure environments & support conversion of codes from ex VWD entity to further improve the Add-in integration to the group eco-system.

The vwd integration process progressed as planned and preparation for migration of the legacy vwd terminal to the Infront Professional Terminal continued. Bringing the best of Infront's and vwd's solutions together into one terminal and leverage the combined strengths will enable Infront to compete in all asset-classes against other premium terminals.

Client base

Terminal clients include paying users of Infront Professional Terminals for market data and analytics, Professional Trading Terminals and users of Infront Italia's professional terminals. Solution users include 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 customers such as 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 (excluding users in vwd) increased by 10% to 6.3k users. The number of solutions users declined by 10% to 30.1k users compared to Q4 2019.



vwd Group

vwd Group provides financial data terminals and complementary service solutions through an integrated, modular technology platform and a software-as-a-service (“SaaS”) model with recurring subscription revenue. Target customers are within the wealth management industry in the German-speaking DACH region, which includes Germany, Austria and Switzerland. vwd Group is also present in Belgium, the Netherlands, Luxembourg and Italy. It is headquartered in Frankfurt and operates through additional regional offices.

The complementary service offering includes: Portfolio and Advisory Solutions (PAS) comprising portfolio services, order services and analytics services; Publication and Distribution Solutions (PDS) comprising fund services and web services; and Regulatory and Calculation Solutions (RCS) comprising regulatory services, documentation services and more.

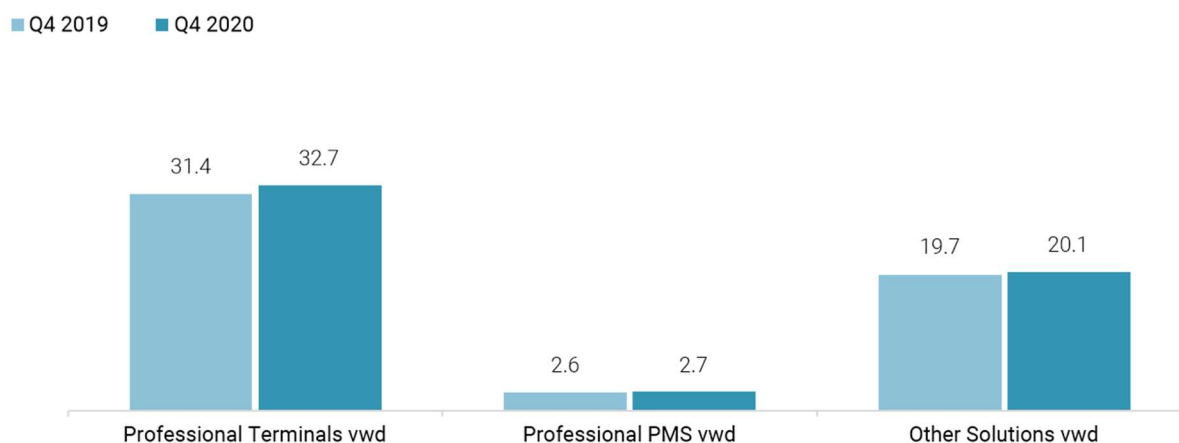
vwd’s consolidated revenue from external customers in Q4 2020 was EUR 18.3 million. This includes EUR 1.5 million of non-recurring revenue.

Client base

Professional terminals users represent mainly users of vwd Market Manager and Investment Manager. Professional PMS users represent users of vwd Portfolio and Advisory Management Systems. The “Other Solutions” mainly include light weighted users of other smaller trading solutions.

Number of professional users per vwd product:

‘000s of users





News and Other

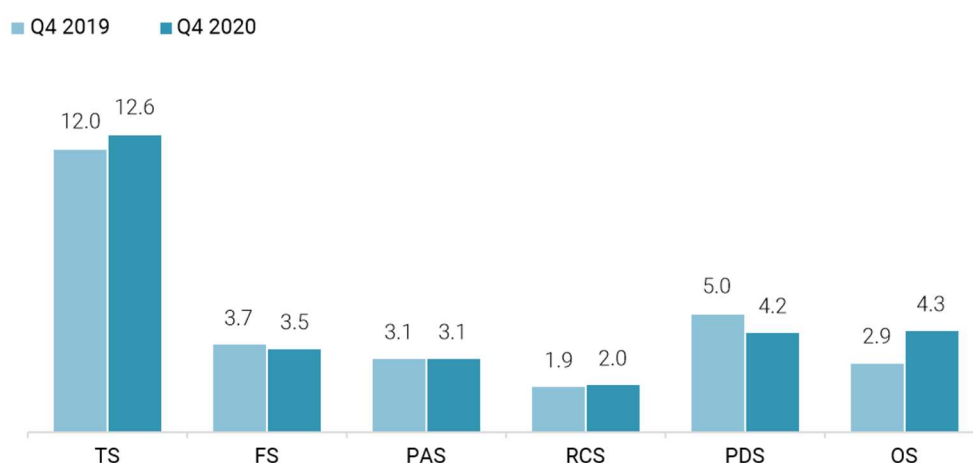
Q4 2020 News and Other revenue from external customers was EUR 1.5 million (EUR 1.5 million), reflecting steady segment performance. Approximately 74% and 26% of segment revenue was recognized in Swedish krona and Norwegian krone, respectively

At a time when Covid-19 continues to have a major impact, we see continued strong momentum in our digital news services. The demand for high quality news service is likely to continue which makes us optimistic going forward. Important strategic events:

- Continued growth in the Insight Direkt segment, which supports companies with visibility towards the market with products as Company Introduction, Report Comments and Perspectives.
- Strong growth in innovative solutions such as Direkt Studios production, have gained renewed importance during the coronary restrictions.
- Due to digital infrastructure, we can maintain high quality Studio products for our customers and viewers to rely on.
- In the wake of the coronavirus crisis, the economic activity has been found even more digital for citizens and companies, which is the core of our business.

Revenue per Product Group

Revenue per Infront product group:
(EUR million)

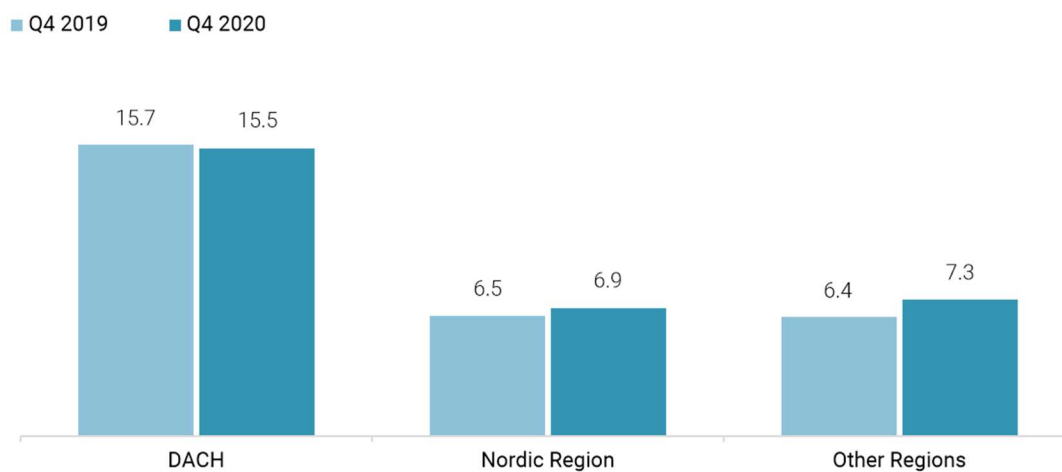


Infront categorises its products into six groups: Terminal Solutions (TS), Feed Solutions (FS), Portfolio and Advisory Solutions (PAS), Regulatory and Calculation Solutions (RCS), Publication and Distribution Solutions (PDS) and Other Solutions (OS). See Note 2 for detailed segment information.



Revenue per Region

Revenue per Region:
(EUR million)



DACH Region includes markets and subsidiaries in Germany (D), Austria (A) and Switzerland (CH).

Nordic Region includes markets and subsidiaries in Norway, Sweden, Finland, and Denmark.

Other Regions includes markets and subsidiaries in Great Britain, the Netherlands, Belgium, Luxembourg, France, Italy, and South Africa.



Outlook

As of end of Q4 2020, the integration of vwd is progressing according to plan, with Infront having delivered and still targeting significant cost-savings over the next 24 months.

Developing integrated products and solutions that leverage the expanded range of available data sources and services will allow Infront to provide terminal solutions across all markets and asset classes to fully realise the potential from its strengthened market position in Europe and beyond. Infront continuously considers 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 together with pursuing organic growth, synergy capture and market consolidation to drive long-term value creation.

Following the COVID-19 outbreak, our main priorities remain:

- Ensuring the safety of our employees
- Continued delivery of stable and high-performing products and solutions to our customers



FINANCIAL REVIEW

(Figures for the corresponding period in 2019 are shown in brackets)

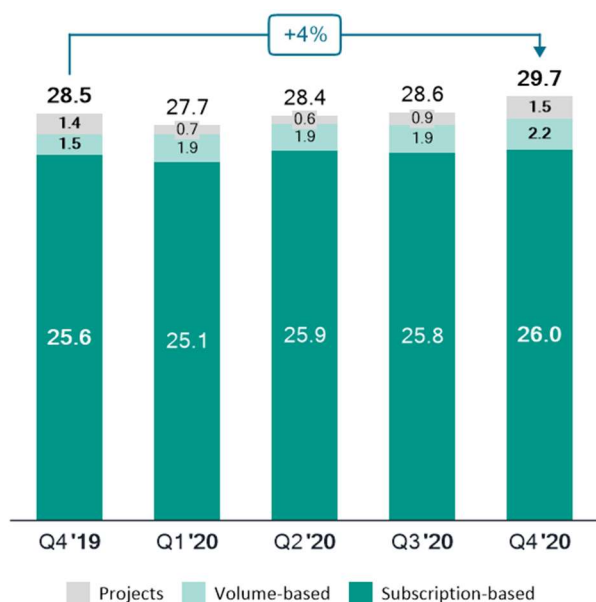
Profit and loss

Q4 2020 operating revenue was EUR 29.7 million (EUR 28.5 million), an increase of 4.2% from the same quarter last year.

Q4 2020 reported EBITDA was EUR 5.7 million (positive EUR 6.3 million). Realizing continued synergy capture and cost optimisation effects, adjusted EBITDA was at 6.2 million compared to adjusted EBITDA of EUR 4.8 million in Q4 2019.

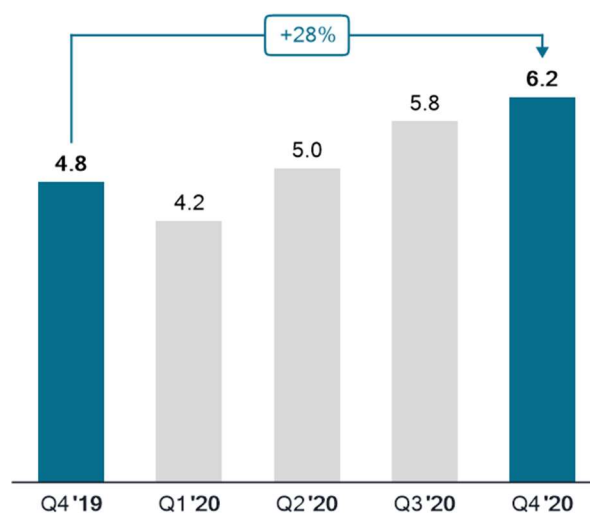
Revenue

(EUR million)



Adjusted EBITDA

(EUR million)

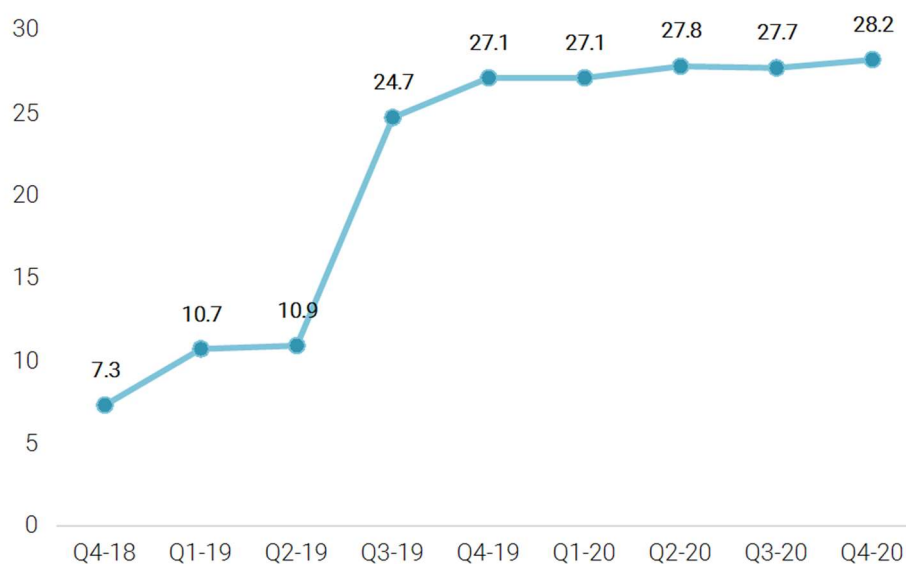




Infront generates most of its revenue from recurring subscription contracts.

Recurring subscription* revenue development

(EUR million)



*Subscription and volume-based Revenue

Cost of services rendered for Q4 2020 was EUR 9.4 million (EUR 9.1 million). The increase reflected the increased revenue base.

Employee-related expenses were EUR 11.4 million (EUR 10.9 million). Adjusted for integration-related costs of EUR 0.2 million, salary and personnel costs amounted to EUR 11.2 million. The group employed 479 FTEs at the end of Q4 2020 (514).

Other operating expenses were EUR 3.9 million in Q4 2020 (EUR 4.6 million).

Net financial expense was EUR 1.4 million in Q4 2020 (net financial expense of EUR 2.1 million). The reduction reflects foreign exchange effects and the disposal of contracts in scope of IFRS 16.

Income tax income for the period was EUR 0.2 million (income tax loss EUR 3.3 million).

Net income for the quarter was EUR 1.6 million (net loss EUR 2.9 million). This is equivalent to a loss per share of EUR 0.04 (loss per share of EUR -0.07).



Financial position

Total assets as of 31 December 2020 were EUR 221.0 million, compared to EUR 228.5 million at the end of December 2019.

The combined book value of Intangible assets and equipment and fixtures amounted to EUR 172.9 million compared to EUR 176.9 million at the end of December 2019. Right-of-use assets at the end of the period amounted to EUR 10.7 million (EUR 13.7 million). For detailed information on IFRS 16 effects refer to note 4 Right-of-use assets and lease liabilities (IFRS 16) in this interim report.

Trade and other receivables were EUR 12.0 million at the end of the fourth quarter 2020, compared to EUR 12.5 million at the end of December 2019.

At the end of the year 2020, the cash position was EUR 18.4 million, compared to EUR 18.7 million at the end of 2019.

Total non-current liabilities were EUR 140.4 million (EUR 144.7 million).

Current liabilities at the end of the year 2020 were EUR 50.1 million, compared to EUR 52.4 million at the end of 2019. The main effect on current liabilities was an increase of EUR 6.8 million in advance payments received on orders in vwd Group as well as in current tax liabilities.

Cash Flow

Cash position at the end of Q4 2020 was EUR 18.4 million (EUR 18.7 million).

Net cash flow from operational activities was EUR 5.5 million in Q4 2020 (negative EUR 3.0 million). Movements in net working capital increased cash flow by EUR 1.8 million in Q4 2020 as well as by non-cash charges of EUR 2.9 million.

Net cash flow from investing activities was negative at EUR 3.8 million (negative EUR 119.7 million). Investments were related to SIX transaction-related payments of EUR 0.3 million, investments in IT equipment of EUR 0.3 million and investments in software developments of EUR 0.4 million.

Net cash flow from financing activities was negative at EUR 0.2 million (positive EUR 3.7 million). The financing cash flow reflects repayments of lease liabilities. In Q4 2019 the proceeds from equity and bond issues had a significant impact on the financing cash flow.



INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Consolidated income statement

(unaudited)

(EUR 1.000)

	Note	Q4 2020	Q4 2019	YTD 2020	YTD 2019
Revenues	3	29 729	28 534	114 461	75 544
Total operating revenues					
Cost of services rendered		9 432	9 103	38 322	26 923
Salary and personnel costs		11 361	10 883	44 716	26 458
Other operating expenses	5	3 864	4 558	14 030	16 641
Depreciation, amortisation and net impairment losses	5	2 941	3 815	13 118	8 505
Other income		- 656	-2 354	-1 820	-2 816
Total operating expenses		26 942	26 006	108 366	75 711
Operating profit		2 787	2 528	6 095	- 167
Financial income/(expenses) - net	5, 6	-1 387	-2 133	-7 193	-8 959
Profit before income tax		1 400	395	-1 098	-9 126
Income tax (expense)/income		237	-3 323	-1 644	-1 605
Profit for the period		1 637	-2 928	-2 742	-10 730
Profit is attributable to:					
Owners of Infront ASA		1 343	-2 911	-3 620	-10 730
Non-controlling interests		294	- 17	878	-
		1 637	-2 928	-2 742	-10 730

Earnings per share

Basic and diluted earnings per share		0.04	-0.07	-0.06	-0.40
Average number of shares		43 425 390	43 329 760	43 425 390	32 738 041
Number of shares at the end of reporting date		43 425 390	43 329 760	43 425 390	43 329 760



Statement of comprehensive income

(unaudited)

(EUR 1.000)

	Note	Q4 2020	Q4 2019	YTD 2020	YTD 2019
Profit for the period		1 637	-2 928	-2 742	-10 730
Other comprehensive income					
Items not to be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit pension liabilities		978	-1 346	978	-1 346
Income tax relating to remeasurements of defined benefit pension liabilities		- 221	345	- 221	345
Items to be reclassified subsequently to profit or loss					
Hedges of net assets in foreign operation	6	3 452	-	-3 476	-
Income tax relating to hedges of net assets in foreign operations		- 706	-	765	-
Exchange differences on translation of foreign operations		-3 329	- 148	3 350	1 427
Other comprehensive income for the period		174	-1 149	1 396	426
Total comprehensive income for the period		1 811	-4 077	-1 346	-10 304

Total comprehensive income is attributable to:

Owners of Infront ASA	1 517	-4 060	-2 224	-10 304
Non-controlling interests	294	- 17	878	-



Consolidated statement of financial position

(unaudited)

(EUR 1.000)

	Note	12/31/2020	12/31/2019
ASSETS			
Non-current assets			
Equipment and fixtures		2 707	2 947
Right-of-use assets	5	10 700	13 671
Intangible assets		170 149	173 987
Deferred tax asset	6	6 108	5 790
Other non-current assets		921	838
Total non-current assets		190 585	197 234
Current assets			
Trade receivables		8 168	9 241
Other current assets		3 825	3 292
Cash and cash equivalents		18 419	18 703
Total current assets		30 412	31 236
TOTAL ASSETS		220 997	228 470



(EUR 1.000)	Note	12/31/2020	12/31/2019
EQUITY AND LIABILITIES			
Equity			
Share capital		459	458
Share premium		35 076	34 883
Share option program		873	317
Other equity	6	-9 405	-6 985
Total equity attributable to owners of the parent		27 003	28 673
Non-controlling interests		3 501	2 686
Total equity		30 504	31 359
Non-current liabilities			
Non-current borrowings	6	102 627	101 757
Non-current lease liabilities	5	9 116	11 283
Other non-current financial liabilities		1 362	2 095
Pension liabilities		7 711	8 659
Deferred tax liabilities		18 533	20 068
Other non-current liabilities		1 049	800
Total non-current liabilities		140 398	144 661
Current liabilities			
Current borrowings		10 000	10 000
Current lease liabilities	5	2 009	2 643
Other current financial liabilities		845	1 024
Income tax payables		4 344	2 399
Trade payables		13 211	16 408
Other current payables		14 922	15 216
Deferred revenue		4 764	4 759
Total Current liabilities		50 095	52 450
Total liabilities		190 493	197 111
TOTAL EQUITY AND LIABILITIES		220 997	228 470



Consolidated statement of cash flows

(unaudited)

(EUR 1.000)	Note	Q4 2020	Q4 2019	YTD 2020	YTD 2019
Cash flows from operating activities					
Profit (loss) before tax		1 400	395	-1 098	-9 125
<i>Adjustments for</i>					
Taxes paid		- 628	- 74	-1 450	- 259
Depreciation, amortisation and net impairment losses	5	2 941	3 815	13 118	8 505
Pension expense without cash effect		- 323	- 831	- 516	- 499
<i>Adjustments for interest expense</i>					
Interest expense including non-cash items		1 863	4 664	7 450	8 145
Interest cash expense in the period		-1 575	-3 119	-6 520	-4 861
<i>Change in operating assets and liabilities</i>					
Change in trade receivable and other receivables		11 663	8 947	4 362	7 441
Change in provisions		21	66	684	66
Change in deferred revenue		- 929	-2 545	- 266	-1 952
Change in trade and other payables		-8 912	-3 449	-6 301	-2 503
Net cash inflow from operating activities		5 521	7 869	9 463	4 958
Cash flows from investing activities					
Payment for acquisition of subsidiary, net of cash acquired		-2 835	- 12	-2 835	-117 743
Payment for intangible assets		- 319	- 275	-1 135	- 876
Payment for property, plant and equipment		- 298	- 482	- 952	-1 473
Payment for software development cost		- 397	- 571	-2 257	-2 622
Net cash (outflow) from investing activities		-3 849	-1 340	-7 179	-122 714
Cash flows from financing activities					
Net proceeds from issuance of ordinary shares			194		23 618
Proceeds from borrowings					10 000
Repayments of borrowings			75		-5 744
Net proceeds from bond issuance					102 256
Dividends paid				- 87	
Repayments of lease liabilities	5	- 248	-1 477	-2 754	-2 386
Net cash inflow from financing activities		- 248	-1 208	-2 841	127 744
Net increase/(decrease) in cash and cash equivalents		1 424	5 321	- 557	9 988
Cash and cash equivalents at the beginning of period		16 645	13 878	18 703	8 740
Effects of exchange rate changes on cash and cash equivalents		350	- 496	273	- 25
Cash and cash equivalents 31 December		18 419	18 703	18 419	18 703



Consolidated statement of changes in equity

(unaudited)

(EUR 1.000)

	Note	Share capital	Share premium	Share issue Not registered	Share Option program	Foreign exchange translation reserve	Retained Earnings	Attributable to the owners of the parent	Non-controlling interest	Total equity
Balance at 1 January 2019		279	11 273	-	103	- 676	3 952	14 774	-	14 778
Profit/loss for the year							-10 730	-10 730		-10 730
Other income						1 427	-1 001	426		426
Acquisition of non-controlling interest								-	2 686	2 686
Share option program					214			214		214
Equity issue		179	23 610	196				23 985		23 985
Balance at 31 December 2019		458	34 883	196	317	751	-7 932	28 673	2 686	31 359
Profit/loss for the period							-3 620	-3 620	878	-2 742
Other income	6			- 2	2	- 205	1 601	1 396		1 396
Share option program					554			554		554
Acquisition of non-controlling interest								-		-
Dividends								-	- 63	- 63
Equity issue		1	193	- 194				-		-
Balance at 31 December 2020		459	35 076	-	873	546	-9 951	27 003	3 501	30 504



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 public limited 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 Europe. The Infront terminal products are intuitive and flexible and offers financial markets participants global real-time market data, trading, news and analytics covering key markets. Infront also provides portfolio, advisory and regulatory solutions through the wholly owned subsidiary vwd Group. 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 10 February 2021.

Basis of Preparation

The interim consolidated financial statements for the fourth quarter 2020 ending 31 December 2020 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 2019.

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 2019 except for the principles on hedge accounting presented in Note 5.

The standards and interpretations effective from 1 January 2020 do not have a significant impact on the group's consolidated interim financial statements.

Note 2: Business combination

NBTrader Solutions Ltd

On 18 November 2020, Infront Group acquired NBTrader Solutions Ltd. NBTrader is an independent trading technology specialist with over 25 years' experience in the development and supply of trading technologies for the Professional and Private Investor UK market. Technology provided by NBTrader includes OMS and market making, FIX connectivity, flexible workflows and a sophisticated rules engine.



Note 3: Segment Information

Operating segments

The operating segment information disclosed is aligned with the current financial information reported to the group's CEO and management team for the purposes of resource allocation and assessment of segment performance. The following segments are reported:

1. **Infront Solutions & Terminal**: covering Infront ASA and all sales offices of terminal products and solutions. Infront Data and Infront Analytics are included here.
2. **vwd Group**: consists of vwd Group, its products and operations in Germany, Belgium, the Netherlands, Switzerland, Luxembourg and Italy.
3. **News and Other**: covering TDN Direkt AS (Norway) and AB Nyhetsbyrå Direkt (Sweden) which provides news services and non-core business in Infront that consists only of Catalystone AS.

Segment information Q4 2020

(EUR 1000)	Infront Solutions and Terminal	vwd Group	News and Other	Eliminations	Consolidated
Revenue					
External customers	9 485	18 727	1 517	-	29 729
Inter-segment	2 311	-	269	-2 580	-
Total revenue	11 796	18 727	1 786	-2 580	29 729
EBITDA	- 140	5 268	600	-	5 728
inter-segment	1 893	-1 036	1 126	-1 983	-
Total assets	31 940	180 750	8 307	-	220 997
inter-segment	163 067	420	2 183	-165 670	-
Total liabilities	131 443	55 423	3 627	-	190 493
inter-segment	37 018	43 778	141 518	-222 314	-
Depreciation and amortisation	832	1 959	150	-	2 941
inter-segment	- 42	-	- 60	102	-



Segment information Q4 2019

(EUR 1000)	Infront Solutions and Terminal	vwd Group	News and Other	Eliminations	Consolidated
Revenue					
External customers	8 334	18 703	1 497	-	28 534
Inter-segment	5 090	-	747	-5 837	-
Total revenue	13 424	18 703	2 244	-5 837	28 534
EBITDA	- 576	6 338	582	-	6 344
inter-segment	- 580	-	580	-	-
Total assets	114 754	111 392	3 106	-	229 252
inter-segment	66 630	78 734	3 369	-148 733	-
Total liabilities	132 795	61 255	2 200	-	196 250
inter-segment	16 399	47 481	1 094	-64 974	-
Depreciation and amortisation	957	2 857	1	-	3 815
inter-segment	- 340	-	- 4	344	-

Disaggregation of Revenues

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. The group's total revenue is disaggregated by major revenue streams by geographical areas and by product segments shown in the tables below.

The group's revenues are subscription based revenues which consist of: terminal subscription, data and financial news subscription revenues which were 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. Most 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.

(EUR 1000)	DACH	Nordic Region	Other regions
Q4 2020	15 489	6 893	7 347
Q4 2019	15 663	6 475	6 396



The DACH Region includes markets and subsidiaries in Germany (D), Austria (A) and Switzerland (CH). The Nordic Region includes markets and subsidiaries in Norway, Sweden, Finland and Denmark. Other Regions includes markets and subsidiaries in Great Britain, the Netherlands, Belgium, Luxembourg, France, Italy and South Africa.

(EUR million)	TS	FS	PAS	RCS	PDS	OS
Q4 2020	12.6	3.5	3.1	2.0	4.2	4.3
Q4 2019	12.0	3.7	3.1	5.0	1.9	2.9

Infront categorises its products during the integration phase into six product groups: Terminal Solutions (TS), Feed Solutions (FS), Portfolio and Advisory Solutions (PAS), Regulatory and Calculation Solutions (RCS), Publication and Distribution Solutions (PDS) and Other Solutions (OS).

Terminal Solutions (TS)

Infront provides market data and investment process solutions for its clients that combines real-time global market data, news, and electronic trading. Our users can access their entire workflow in one solution, enabling them to make better investment decisions in shorter time. Infront products range from “Infront Professional Terminal” to cloud based “vwd Investment Manager”. Through the web-browser and cloud-based platforms our users can access real-time and historical market data feeds for stock, funds, bonds, commodities, interest rates and more. Flexibility to set-up customized interfaces, monitoring and alerting, and to install a wide range of plug-ins to provide an optimal data management solution.

Feed Solutions (FS)

Infront Feed Solutions provides its clients through data management solutions with access to more than 120 stock exchanges, more than 500 contributory data sources and more than 18 million instruments. Our clients can get access from end-of-day to real-time delivery, receive up-to-the minute price data and business news and can participate in cost efficient modular content packages.

Portfolio and Advisory Solutions (PAS)

Infront Portfolio and Advisory solutions supporting our customers on all stages of the asset management workflow - from customer on-boarding to reporting of portfolio performance - on a fully digital and customisable basis. Infront provides process and advisory support, as well as risk evaluation services, in development and management of portfolios. The entire process is developed for full regulatory compliance with step-by-step guidance available for users. The offering provides a wide range of relevant user interfaces to optimise the service, with ability for individual customization to ensure perfect fit.



Regulatory and Calculation Solutions (RCS)

Infront offers a full-service platform for creating and distributing regulatory documents and data. We provide audit-proofed fulfilment of internal compliance and market regulation requirements through creation of documents and reports. Our Solution is based on product and industry expertise, as well as interaction with authorities and relevant agencies. Intuitive front-end solution for easy process handling, flexible user interfaces and step-by-step guidance to ensure user friendliness.

Publication and Distribution Solutions (PDS)

Infront Publication and Distribution Services provides solutions around the media market. Our News Service helps its customers to better understand the movements of markets and reviews professional and social media news. Our clients can utilize our news-research from brokers and independent research providers to support their investment strategy. Infront, through its vwd Listing and Publishing services, also supports media companies and asset managers who publish fund and market performance information with our pre-formatted financial product performance and documentations. We also provide a module-based web manager so our clients can create custom fund and market performance portraits that they can use for print or online publication purposes.

Other Solutions (OS)

Infront also owns two profitable and compatible companies offering individual solutions for their client base. Lenz+Partner offers more than 4 000 private clients an analysis tool for the financial markets with competitive chart analytics, fundamental analytics and portfolio management. Transaction Solutions AG operates for its clients' securities trading centres in most varied forms: whether on or off the exchange, limit trading, and request for quote or matching systems.

Through its market consolidation strategy, Infront has also acquired some smaller complementary products to its core solutions. The company is currently developing future-driven, sustainable options for these products.

Note 4. Number of employees

Number of employees (full-time equivalents) at the end of the fourth quarter was 479 in 2020 and 514 in 2019.



Note 5. Right-of-use assets and lease liabilities (IFRS 16)

The movements of the group's right-of-use assets and lease liabilities are presented below:

(EUR 1.000)

Acquisition cost 1 January 2019	4 803
Currency translation differences	- 52
Additions	3 469
Change in consolidation group	7 687
Acquisition costs 31 December 2019	15 906
Currency translation differences	- 74
Addition of new contracts	180
Change in current contracts	- 665
Change in consolidation group	52
Acquisition costs 31 December 2020	15 399
Accumulated depreciation and impairment 1 January 2019	-
Currency translation differences	- 10
Depreciation	-2 225
Accumulated depreciation and impairment 31 December 2019	-2 235
Currency translation differences	- 5
Depreciation	-2 459
Accumulated depreciation and impairment 31 December 2020	-4 699
Total right-of-use assets as of 31 December 2019	13 671
Total right-of-use assets as of 31 December 2020	10 700



(EUR 1.000)

At initial implementation 1 January 2019	4 803
Currency translation differences	- 55
New lease liabilities in the period	3 469
Leasing payments for the principal portion of the lease liability	-2 393
Interest expenses on lease liabilities	325
Change in consolidation group	7 778
Total lease liabilities at 31 December 2019	13 926
Currency translation differences	- 79
New lease liabilities in the period	180
Change in current contracts	- 665
Leasing payments	-2 754
Interest expenses on lease liabilities	464
Change in consolidation group	53
Total lease liabilities at 31 December 2020	11 125
Whereof:	
Current lease liabilities within 1 year	2 009
Non-current lease liabilities over 1 year	9 116
(+) positive effect (-) negative effect	
(EUR 1.000)	
Depreciation	-2 459
Leasing payments for the principal portion of the lease liability	2 754
<i>Effect on Operating profit in the period</i>	295
Interest expense on lease liabilities	- 464
<i>Effect on profit before income tax in the period</i>	- 169



Note 6. Hedge accounting

Background

In May 2019 the management of Infront ASA decided to issue euro-denominated debt to fund the net investment in vwd Group GmbH. A foreign currency exposure arises from net investments in group entities whose functional currency differs from the parent's functional currency. The risk is defined as the risk of fluctuation in spot exchange rates between the functional currency of vwd Group GmbH (EUR) and the parent's functional currency (NOK). This will cause the amount of the net investment in vwd Group GmbH to vary, and such a risk may have a significant impact on the Other Comprehensive Income (short: OCI) of the consolidated financial statements.

In accordance with the group's risk management policies, management wishes to reduce volatility in the consolidated financial statements arising from EUR/NOK fluctuations by designating the debt as a hedge of the net investment.

Accounting principles

The group applies hedge accounting for the hedges of net investment in foreign operations. The group has no other cash flow or fair value hedges.

At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking the hedge transaction. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is offsetting changes in fair values of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all the hedge effectiveness requirements set forth in IFRS 9.

Any gain or loss relating to the effective portion of hedges of investments in foreign operations is recognized in comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss of the ineffective portion is recognized immediately in profit or loss.

Gains or losses on the hedging instrument in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

Description

The group has applied hedge accounting for the hedge of the net investment in the vwd group. The hedging objective is the net investment in the vwd group and hedge instrument is EUR 60 million of the group's EUR bond amounting to EUR 102.4 million presented as Borrowings under Non-current liabilities in the statement of financial position. The effective part of the fair value change of the hedging instrument in the period (EUR 3.4 million) has been recognized in the Other Comprehensive Income.



Foreign exchange translation reserve	2020
(EUR 1.000)	
Balance at 1 January	751
Hedges of net assets in foreign operation	-3 476
Income tax relating to hedges of net assets in foreign operations	765
Exchange differences on translating the net assets of foreign operations	2 506
<i>Net change in foreign exchange translation reserve in the period</i>	<i>-2 711</i>
Balance at 31 December	546
Of which:	
Balance related to continuing net investment hedges	-2 711
Balance related to retranslation of net assets in foreign operations	3 257



Note 7. Subsequent events

On 15 December 2020, Inflexion Private Equity Partners LLP (“Inflexion”) and Infront ASA announced that Dash Bidco AS (the “Offeror”) would launch an offer to acquire all outstanding shares of Infront through a voluntary cash offer (the “Offer”) of NOK 34.40 per share (the “Offer Price”). The Board of Directors of Infront unanimously decided to recommend that the shareholders of the Company accept the Offer.

Following the announcement on 15 December 2020 regarding an offer to acquire all outstanding shares of Infront, Dash Bidco AS launched a recommended voluntary cash offer for all of Infront’s outstanding shares against a consideration in cash of NOK 34.40 per share on 25 January 2020. The shareholders of Infront may tender their shares at the conditions of the voluntary recommended offer until 15 February 2021 at 16:30 hours (CET), subject to extension.

As disclosed in the Operational review in this interim report (p.2) and the disclosures in the Annual Report 2019 the continuing outbreak of COVID-19 has been assessed as a part of our subsequent events procedures. The management’s assessment of the impact involves making judgements, as of the date of this interim report, about inherently uncertain future conditions. Infront has determined that the effects of the COVID-19 outbreak does not currently affect the amounts recognized in the balance sheet of this financial statement.

At the date of this interim report, management does not see significant threats to the group’s ability to continue as a going concern in accordance with IAS 10.



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 non-recurring items such as M&A and restructuring-related costs
- Recurring subscription revenue represents operating revenue from the group's subscription-based and volume-based products.

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 months period ended 31 December 2020
M&A	Mergers and acquisitions

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