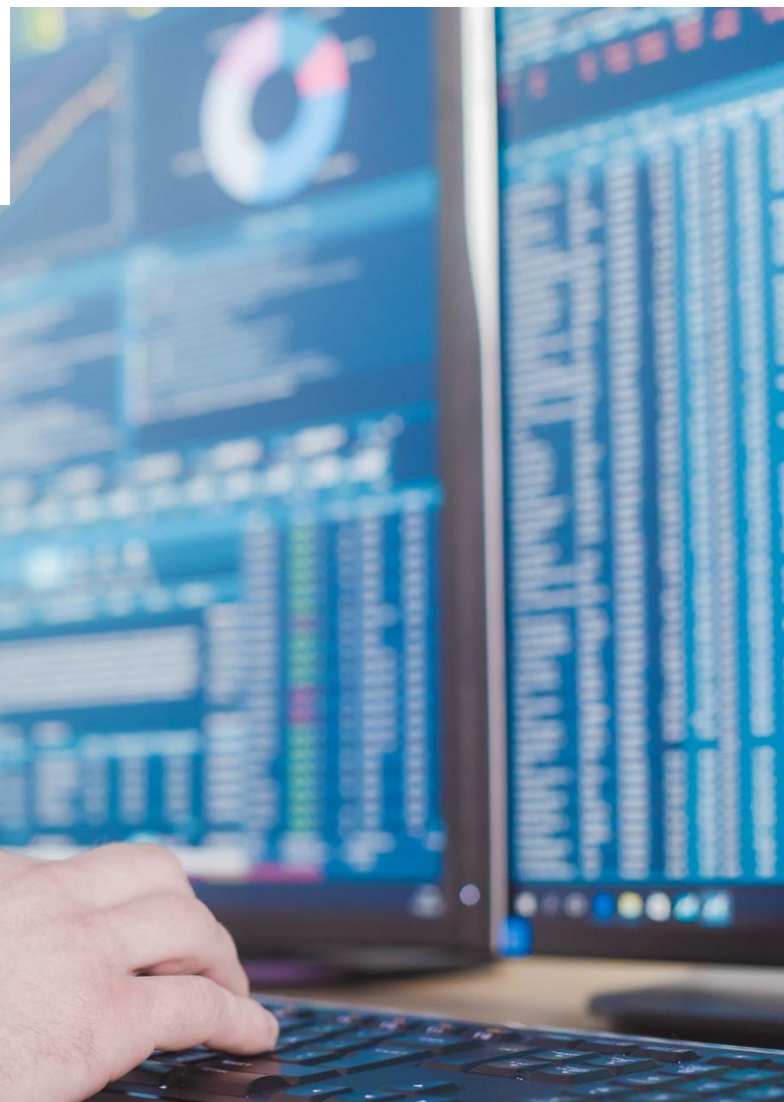


# Q1 2017

Infront AS – interim report





I am pleased to see that Infront continues to deliver increased revenues in Q1. With our unique user-friendly technology, we are experiencing increased recognition in the European market and are positive about the outlook of the company. A major highlight in Q1 was the acquisition of the analysis and consensus service company Inquiry Financial Europe AB. Inquiry perfectly complements Infront's high quality consensus and estimate service, SME Direkt, and enables Infront to have the leading offer to the market for consensus data for listed European companies. It has been a busy quarter and we have started to see some revenue impact from the recent acquisitions of SIX News and the strategic alliance with SIX Financial Information. We will see increasing positive impact from this transaction over the next quarters. With the most innovative terminal technology, a strengthened sales team in Europe and South Africa and a strong pipeline we expect continued revenue growth in Q2 and onwards.

- Kristian Nesbak, CEO and Founder

## FIRST QUARTER 2017 SUMMARY

---

- Revenue increased by 10 % to NOK 56.8 million (NOK 51.8 million), mainly due to positive contributions from the acquisitions of TDN Finans and SIX News.
- Adjusted EBITDA increased by 14 % to NOK 7.8 million (NOK 6.9 million), driven by higher revenues across all segments.
- Net income was NOK 0.6 million (NOK 2.8 million)
- Earnings per share amounted to NOK 0.25 (NOK 1.29)

## KEY FIGURES

---

<i>(NOK million)</i>	Q1 2017	Q1 2016
Revenues	56.8	51.8
Gross profit	38.2	31.2
EBITDA	6.2	6.9
EBITDA adjusted	7.8	6.9



# OPERATIONAL REVIEW

---

Infront provides a unique combination of real-time global market data, news, analytics and trading tools to private and institutional investors. These proven solutions have been developed by industry experts over the past 20 years delivering technology that keeps Infront's clients ahead of the game. The Infront terminal has become the most intuitive and flexible financial data terminal available, helping institutions reduce costs, adapt to fast changing market requirements and work more effectively with increasing amounts of information.

## Terminals and Solutions

Q1 2017 Terminals and Solutions revenue from external customers was NOK 40.2 million, representing 1 % growth from Q1 2016.

In Q1 2017, focus was on continued migration of SIX Edge users to the Infront platform. At the end of Q1 2017, roughly 33 % of potential revenues had been migrated to Infront. Infront experiences strong demand for its retail trading solutions with a strong pipeline for the rest of 2017. Infront has now more than 25 R&D resources working on developing, operating and maintaining our software and new features that are released each quarter.

## News

Q1 2017 News revenue from external customers was NOK 11.0 million, representing 46 % growth from 2016. Growth was mainly driven by acquisitions of TDN Finans in Q2 2016 and SIX News in Q4 2016. The acquisitions have been successfully integrated and we expect continued strong performance.

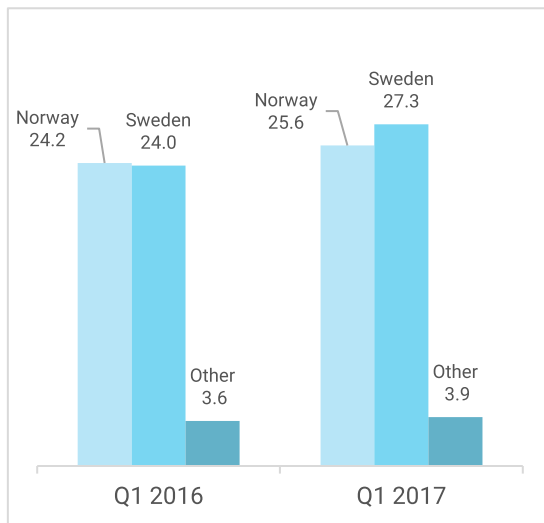
## Analytics and Other

Q1 2017 Analytics and Other revenue from external customers was NOK 5.6 million, representing 25 % growth from 2016. During Q1 2017, Infront acquired a majority stake in Inquiry Financial Europe AB, a Swedish company collecting and preparing consensus estimates for 1,200 listed companies across Europe.



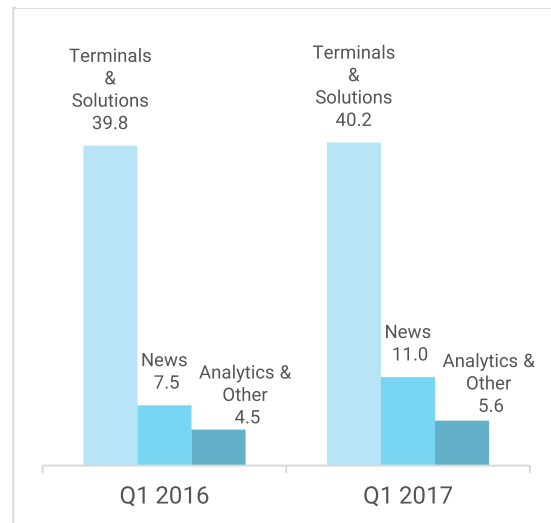
## REVENUE PER REGION

(NOK million)



## REVENUE PER SEGMENT

(NOK million)



## M&A

On 7 March 2017, Infront AS acquired 77.22 % of the voting shares in Inquiry Financial Europe AB for NOK 8.9 million. The acquisition of 77.22 % of the shares was financed with cash. Inquiry Financial Europe AB has built up a broad coverage of fundamental data for approximately 2 200 companies and consensus estimates for 1 200 companies in Europe. The coverage from Inquiry Financial Europe AB complements Infront's high quality consensus and estimate service, SME Direkt. The combination enables Infront to have the leading offering in the market for consensus data for companies in Northern Europe. Inquiry's data will be available in the Infront terminal and feed solutions.

At the same time as the sale and purchase agreement for 77.22 % of the shares was signed, the company entered into an option agreement covering the remaining shares. The option agreement gives the company a call option simultaneously as the company writes a put option. The written put option is a financial liability recognised at the present value of the expected exercise price. The present value of the financial liability at the acquisition date is estimated at NOK 7.7 million.

The Software-as-a-Service (SaaS) revenue model represents a predictable recurring revenue stream for Infront. Contracts are normally signed for 12 months with automatic renewal, promoting long-term relationships with customers. The sales team is building an increasing portfolio of recurring revenue contracts – closing more new business than it lost – leading to incremental organic growth from high gross margin software without OPEX increase.



Q1 2017 group revenue was NOK 56.8 million, representing an increase of 9.7 % from NOK 51.8 million in the same quarter last year. Q1 2017 OPEX was NOK 55.6 million, compared to NOK 48.1 million in Q1 2016. The increased OPEX level reflects an increased headcount, driven by acquisitions of TDN Finans, SIX News, Inquiry Financial Europe AB and strengthening of the sales and marketing team and opening of new offices. Furthermore, Infront incurred one-off costs related to IPO process of NOK 1.6 million during the quarter. More sales resources are expected to ultimately lead to strengthened sales output and organic growth. Q1 2017 EBITDA was NOK 6.2 million, compared to NOK 6.9 million in Q1 2016.

## FINANCIAL REVIEW

---

Consolidated operating revenues for the period amounted to NOK 56.8 million (NOK 51.8 million), an increase of NOK 5.0 million, or 9.7 %. The increase reflects increased sales and prices across the Group, the inclusion of external revenues from TDN Finans AS, as well as initial impact from the SIX transaction.

Consolidated cost of services rendered for the period amounted to NOK 18.6 million (NOK 20.6 million), a decrease of NOK 2.0 million, or 9.9 %. The decrease reflects improved exchange rates and reclassification of purchases from TDN Finans AS as intercompany costs.

Consolidated expenses for employee benefits amounted to NOK 21.9 million (NOK 17.3 million), an increase of NOK 4.6 million, or 26.5 %. The increase is primarily due to inclusion of TDN Finans AS, increased staff levels in Group in connection with expansion in UK and South Africa, and general salary increases.

Consolidated other operating expenses amounted to NOK 10.1 million (NOK 7.0 million), an increase of NOK 3.1 million, or 43.8 %. The increase is primarily due to increased use of external consultants and advisors as part of the IPO process. Adjusted for IPO-related costs, other operating expenses increased to NOK 8.5 million.

The Q1 2017 EBITDA was NOK 6.2 million, compared to NOK 6.9 million in Q1 2016. EBITDA adjusted for Q1 2017 was NOK 7.9 million, compared to NOK 6.9 million in Q1 2016.

Consolidated net financial expenses amounted to NOK 0.4 million (net financial income of NOK 0.0 million), a decrease of NOK 0.4 million. This movement is primarily a result of foreign exchange transactions and translations.

Income tax expenses amounted to NOK 0.3 million (NOK 0.9 million), a decrease of NOK 0.7 million, or 73.5 %.



Due to the effects discussed above, consolidated profit for the period amounted to NOK 0.6 million (NOK 2.8 million), a decrease of NOK 2.2 million, or 78.8 %.

This represents a Q1 2017 earnings of NOK 0.25 per share, compared to earnings of NOK 1.29 per share in Q1 2016.

Total assets at the end of Q1 2017 amounted to NOK 183.4 million, compared to NOK 181.3 million at the end of Q4 2016, an increase of NOK 2.1 million, or 2.3 %. The increase is due to an increase of non-current assets. Total equity decreased during the period, due to the fair value estimate of option related to payment for remaining stake in Inquiry Financial Europe AB.

Intangible assets and Equipment and fixtures increased significantly to NOK 129.3 million, compared to NOK 117.5 million at the end of Q4 2016, an increase of NOK 11.7 million, or 45.0 %. The increase is primarily due to the acquisition of Inquiry Financial Europe AB and an investment in IT hardware.

Trade and other receivables amounted to NOK 26.3 million (41.8 days<sup>1</sup>) at the end of Q1 2017, compared to NOK 24.9 million (43.3 days) at the end of Q4 2016.

The Q1 2017 cash position was NOK 26.5 million, compared to NOK 37.6 million at the end of Q4 2016. The decrease was primarily due to cash outflows related to the acquisition of 77.2 % of Inquiry Financial Europe AB and first tranche payment for SIX News during Q1 2017.

Total non-current liabilities at the end of Q1 2017 were NOK 53.8 million, compared to NOK 45.5 million at the end of Q4 2016. The increase was primarily due to the fair value estimate of option related to payment for remaining stake in Inquiry Financial Europe AB. Please refer to Note 6 in the Consolidated Financial Statements for the period ended 31 March 2017 for further details.

Total current liabilities at the end of Q1 2017 were NOK 93.0 million, compared to NOK 95.1 million at the end of Q4 2016. The decrease relates predominantly to a reduction of trade and other payables as deferred revenues increased slightly.

Net cash flow from operating activities was NOK 8.0 million in Q1 2017, compared to NOK 4.0 million in Q1 2016. The Q1 2017 cash flow from operating activities was NOK 1.8 million higher than the Q1 2017 EBITDA, mainly reflecting a positive contribution from net working capital development.

Q1 2017 net cash flow used in investing activities was NOK 25.7 million, compared to NOK 3.8 million used in Q1 2016. The increase reflects investments made in Inquiry Financial Europe AB and SIX News in Q1 2017, of NOK 8.7 million and NOK 12.4 million respectively. Net cash flow from financing activities was NOK 6.3 million in Q1 2017, compared to 0 in Q1 2016.

---

<sup>1</sup> 1 day= receivables / quarterly revenues \* 90 days



# INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

## Consolidated income statement

(NOK 1.000)	Note	Q1 2017	Q1 2016
Revenues	2	56 790	51 781
<b>Total operating revenues</b>		<b>56 790</b>	<b>51 781</b>
Cost of services rendered		18 555	20 596
Salary and personnel expenses	3	21 885	17 295
Other operating expenses	7	10 114	7 035
Depreciation and amortisation	4	5 054	3 191
<b>Total operating expenses</b>		<b>55 609</b>	<b>48 117</b>
<b>Operating profit</b>		<b>1 182</b>	<b>3 664</b>
Financial income		509	796
Financial expenses		-864	-791
<b>Financial income/(expenses) - net</b>		<b>-355</b>	<b>5</b>
<b>Profit before income tax</b>		<b>826</b>	<b>3 669</b>
Income tax expense		-238	-898
<b>Profit for the period</b>		<b>589</b>	<b>2 771</b>
<b>Profit is attributable to:</b>			
Owners of Infront AS		550	2 771
Non-controlling interests		39	0
		389	2 771
<b>Earnings per share</b>			
Basic and diluted earnings per share		0.25	1.29



## Statement of comprehensive income

(NOK 1.000)	Note	Q1 2017	Q1 2016
<b>Profit for the period</b>		<b>589</b>	<b>2 771</b>
Other comprehensive income (net of tax):			
Exchange differences on translation of foreign operations		232	-138
<b>Total comprehensive income for the period</b>		<b>912</b>	<b>2 633</b>
<b>Total comprehensive income is attributable to:</b>			
Owners of Infront AS		873	2 633
Non-controlling interests		39	0
		<b>912</b>	<b>2 633</b>





## Consolidated statement of financial position

(NOK 1.000)	Note	31.03.2017	31.12.2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment and fixtures	4	2 466	1 387
Intangible assets		126 830	116 161
Deferred tax asset		656	654
Pension assets		279	314
Receivables		308	302
<b>Total non-current assets</b>		<b>130 538</b>	<b>118 818</b>
<b>Current assets</b>			
Trade and other receivables		26 346	24 919
Cash and cash equivalents		26 514	37 569
<b>Total current assets</b>		<b>52 859</b>	<b>62 487</b>
<b>TOTAL ASSETS</b>		<b>183 398</b>	<b>181 306</b>

(NOK 1.000)	Note	31.03.2017	31.12.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		217	217
Share premium		7 863	7 863
Treasury shares		0	0
Other equity		25 845	32 690
<b>Total equity attributable to owners of the parent</b>		<b>33 924</b>	<b>40 769</b>
Non-controlling interests		2 668	0
<b>Total equity</b>		<b>36 592</b>	<b>40 769</b>
<b>Non-current liabilities</b>			
Pension liabilities		491	485
Deferred tax liabilities		980	857
Other non-current financial liabilities		52 328	44 118
<b>Total non-current liabilities</b>		<b>53 799</b>	<b>45 460</b>
<b>Current liabilities</b>			
Borrowings		8 040	1 704
Trade and other payables		47 627	56 863
Other current financial liabilities		16 926	16 739
Deferred revenue		17 269	14 897
Current tax liabilities		3 146	4 874
<b>Total current liabilities</b>		<b>93 008</b>	<b>95 077</b>
<b>Total liabilities</b>		<b>146 806</b>	<b>140 537</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>183 398</b>	<b>181 306</b>



## Consolidated statement of cash flows

(NOK 1.000)	Note	Q1 2017	Q1 2016
<b>Cash flows from operating activities</b>			
Profit (loss) before tax		826	3 670
<i>Adjustments for</i>			
Taxes paid		-1 728	-1 126
Depreciation, amortisation and net impairment losses		5 054	3 191
Pension expense without cash effect		38	-16
Losses/(gains) on disposal of tangible assets		0	0
Change in operating assets and liabilities, net of effects from purchase of controlled entities			
Change in trade receivable and other receivables		403	-5 319
Change in provisions		0	0
Change in deferred revenue		577	1 201
Change in trade and other payables		2861	2 382
<b>Net cash inflow from operating activities</b>		<b>8031</b>	<b>3 983</b>
<b>Cash flows from investing activities</b>			
Payment for acquisitions of subsidiary, net of cash acquired	6	-8 661	-758
Payment for intangible assets		-12 386	0
Payment for property, plant and equipment		-1 685	0
Payment for software development costs		-3 008	-3 083
Receipt of government grants		0	0
Cash flow from other investing activities		0	0
<b>Net cash (outflow) from investing activities</b>		<b>-25 741</b>	<b>-3 841</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares		0	0
Proceeds from borrowings		6 336	0
Payment for shares bought back		0	0
Sale of treasury shares		0	0
Dividends paid		0	0
<b>Net cash (outflow) from financing activities</b>		<b>6 336</b>	<b>0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-11 373</b>	<b>142</b>
Cash and cash equivalents 1 January		37 569	36 418
Effects of exchange rate changes on cash and cash equivalents		318	-673
<b>Cash and cash equivalents 31 March</b>		<b>26 514</b>	<b>35 888</b>



## Consolidated statement of changes in equity

(NOK 1.000)	Attributable to the owners of the parent						Non-controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Translation differences	Retained earnings	Total		
Balance at 31 December 2015	214	6 156	-1	1 645	19 578	27 593	0	27 593
Profit/loss for 1 January to 31 March 2016					2 771	2 771	0	2 771
Currency translation differences				-138		-138		-138
Capital increase								0
<b>Balance at 31 December 2016</b>	<b>214</b>	<b>6 156</b>	<b>-1</b>	<b>1 507</b>	<b>22 349</b>	<b>30 226</b>	<b>0</b>	<b>30 226</b>
Balance at 31 December 2016	217	7 863	0	-50	32 740	40 769	0	40 769
Profit/loss for 1 January to 31 March 2017					550	550	39	589
Currency translation differences				324		324		324
Non-controlling interests on acquisition of subsidiary						0	2 629	2 629
Preliminary estimate of fair value of put option – acquisition of subsidiary					-7 719	-7 719		-7 719
<b>Balance at 31 March 2017</b>	<b>217</b>	<b>7 863</b>	<b>0</b>	<b>274</b>	<b>25 571</b>	<b>33 924</b>	<b>2 668</b>	<b>36 592</b>



# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

---

## Note 1. General and accounting principles

Infront is a limited liability company, incorporated in Norway. The condensed consolidated interim financial statements comprise Infront ASA, the parent company of the Infront Group.

The consolidated financial statements of the Group and parent company for the year ended December 31, 2016 is available at [www.infrontfinance.com](http://www.infrontfinance.com).

The consolidated financial statements for first quarter 2017 have been prepared in accordance with IAS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act. The financial statements for the parent company for first quarter 2017 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway. The information presented in the financial statements gives a true and fair view of the company's and the group's assets, liabilities, financial position and results for the period viewed in their entirety.

## Note 2. Segment information

31 March 2017

	Norway	Sweden	Other	Eliminations	Consolidated
Revenue					
External customers	25 632	27 289	3 870	0	56 790
Inter-segment	12 438	3 508	1 464	-17 410	0
Total revenue	38 070	30 797	5 334	-17 410	56 790
EBITDA	677	6 635	-1 077	0	6 236
Total assets	126 418	60 264	22 974	-26 259	183 398
Total liabilities	71 640	51 048	17 253	8 693	148 633
Depreciation and amortisation	3 305	1 732	17	0	5 054



31 March 2016

	Norway	Sweden	Other	Eliminations	Consolidated
Revenue					
External customers	20 091	27 300	4 389	0	51 781
Inter-segment	11 018	3 299	778	-15 094	0
Total revenue	31 109	30 599	5 167	-15 094	51 781
EBITDA	2 914	4 794	-852	0	6 855
Total assets	95 626	37 258	32 802	-74 238	91 447
Total liabilities	51 660	30 423	17 354	-39 611	59 827
Depreciation and amortisation	3 058	108	25	0	3 190

Segment per product 31 March 2017

	Terminals and Solutions	News	Analytics and other	Eliminations	Consolidated
Revenue					
External customers	40 230	11 004	5 557	0	56 790
Inter-segment	11 473	4 185	1 753	-17 410	0
Total revenue	51 703	15 189	7 309	-17 410	56 790
EBITDA	1 268	3 828	1 139	0	6 236
Total assets	150 965	34 556	24 136	-26 259	183 398
Total liabilities	99 852	25 906	14 183	8 693	148 633
Depreciation and amortisation	4 853	109	92	0	5 054

Segment per product 31 March 2016

	Terminals and Solutions	News	Analytics and other	Eliminations	Consolidated
Revenue					
External customers	39 771	7 547	4 463	0	51 781
Inter-segment	11 082	3 235	777	-15 094	0
Total revenue	50 852	10 782	5 240	-15 094	51 781
EBITDA	5 260	1 938	-342	0	6 853
Total assets	112 879	18 735	34 071	-74 238	91 447
Total liabilities	65 387	16 753	17 297	-39 611	59 827
Depreciation and amortisation	3 089	77	25	0	3 190



### Note 3. Number of employees

Number of employees (full-time equivalents) at the end of the first quarter was 121 in 2017 and 97 in 2016.

### Note 4. Equipment and fixtures

The main reason for the increase since 31 December 2016 is an investment IT equipment (server) in The Online Trader Sweden AB.

### Note 5. Investment in subsidiaries

31.03.2017

Company	Date of acquisition	Consolidated (yes/no)	Registered office	Voting share	Ownership share
The Online Trader 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 %
Infinancials SA*	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 %
Inquiry Financial Europe AB	07.03.2017	yes	Stockholm	77 %	77 %

\*4 shares of 636 155 (0 %) is held by executive Management in Norway.



## Note 6. Business combination

The Infront Group completed two acquisitions in 2016. We refer to the financial statement for 2016 for further information. In March 2017, the acquisition of Inquiry Financial Europe AB was executed.

### Acquisition of Inquiry Financial Europe AB

On 7 March 2017, Infront AS acquired 77.22 % of the voting shares in Inquiry Financial Europe AB for NOK 8.9 million. The acquisition of 77.22 % of the shares was financed with cash. Inquiry Financial Europe AB has built up a broad coverage of fundamental data for approximately 2 200 companies and consensus estimates for 1 200 companies in Europe. The coverage from Inquiry Financial Europe AB complements Infront's high quality consensus and estimate service, SME Direkt. The combination enables Infront to have the leading offering in the market for consensus data for companies in Northern Europe. Inquiry's data will be available in Infront terminals and the feed solutions.

At the same time as the sale and purchase agreement for 77.22 % of the shares was signed, the company entered into an option agreement covering the remaining shares. The option agreement gives the company a call option simultaneously as the company writes a put option. The written put option is a financial liability recognised at the present value of the expected exercise price. The present value of the financial liability at the acquisition date is estimated at NOK 7.7 million.

The initial accounting for the business combination is incomplete and the analysis of the purchase price is not finalized. Preliminary, the assets and liabilities recognised as a result of the acquisition are as follows:

	<b>Fair value (NOK 1.000)</b>
<b>Assets</b>	
Cash	165
Trade and other receivables	1 705
Capitalized development	2 400
Net fair value adjustments and goodwill	9 328
	<hr/> 13 598
<b>Liabilities</b>	
Trade and other payables	2 057
Net identifiable assets and liabilities at fair value and goodwill	11 541
Non controlling interest	-2 629
<b>Purchase consideration transferred</b>	<hr/> 8 912

Net identifiable assets at fair value are not amortized. Goodwill is allocated to the cash-generating unit Sweden and is not deductible for tax purposes.



## Note 7. IPO related expenses

Expenses as at 31 March 2017:

	<b>External expenses</b>	<b>Internal expenses</b>	<b>Total</b>
Cost of services rendered			-
Salary and personnel costs			-
Other operating expenses	1 598		1 598
Sum	1 598	-	1 598



## Infront AS

### Headquarter

Fjordalléen 16  
0250 Oslo

### Website

[infrontfinance.com](http://infrontfinance.com)

### E-mail

[ir@infrontfinance.com](mailto:ir@infrontfinance.com)

### Twitter

[@infrontfinance](https://twitter.com/infrontfinance)



**Infront**  
Discover. Analyze. Trade.

