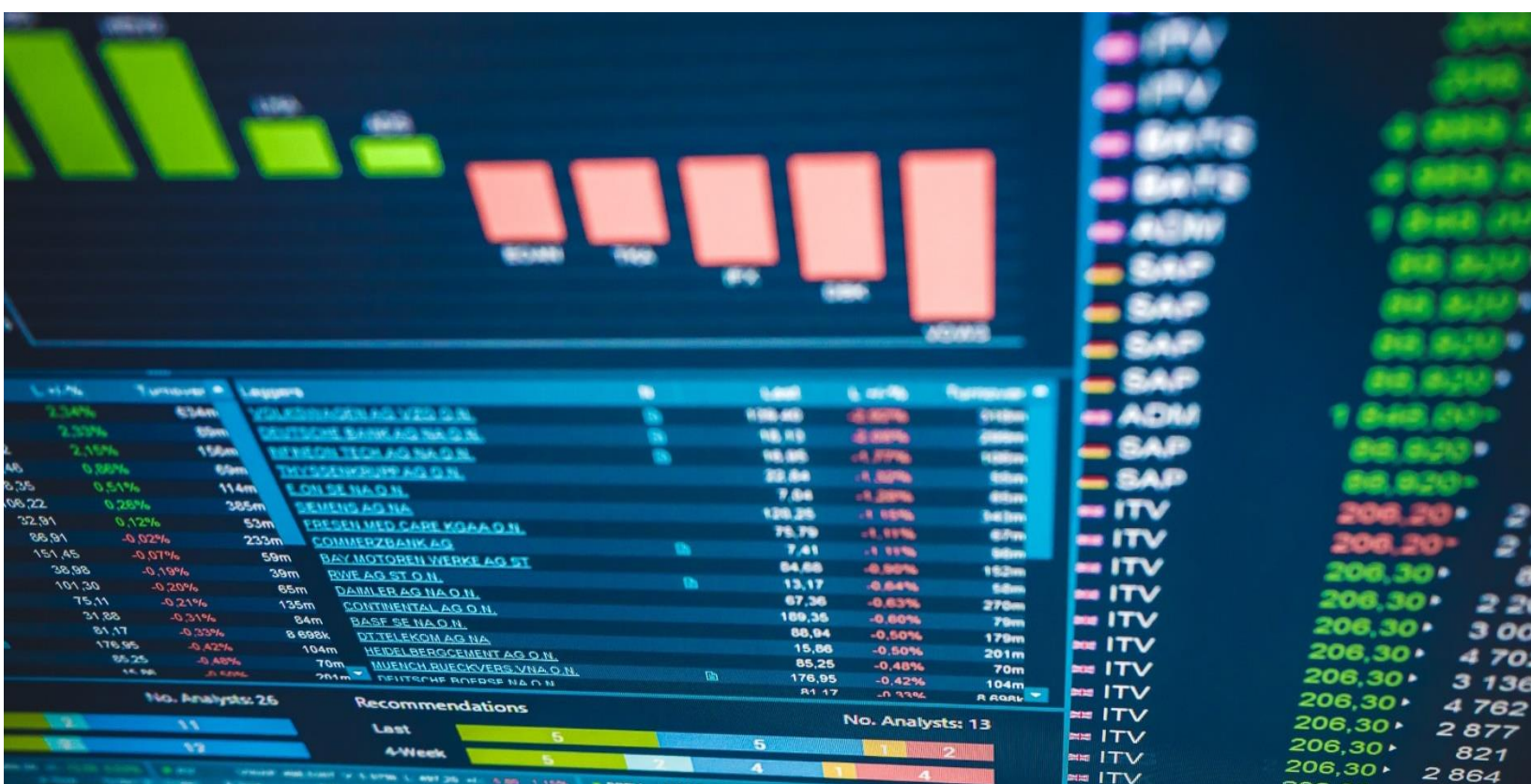


# Q1 2018

Infront ASA – interim report





## HIGHLIGHTS

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- Q1 2018 revenue increased 21% to NOK 68.9 million from NOK 56.8 million in Q1 2017
  - Continued positive contribution from the acquisitions of Inquiry Financial Europe AB, SIX News and the completed migration of SIX Edge customers
  - Revenue and user growth experienced in all regions
- 93% increase in EBITDA to NOK 14.5 million from EBITDA adjusted (for IPO-cost) NOK 7.5 million in Q1 2017 driven by higher revenues across all segments, increased gross margins and stable operating expenses
- Increase in number of paying users of 23% to 17.7k from 14.3k in Q1 2017



We have had a good start to 2018 with continued organic growth reflected in the increasing base of terminals and solutions subscribers. We successfully updated and prepared our products for the introduction of EU's new financial markets regulations. Furthermore, we experience continued interest in our new retail web technology from leading financial institutions across the Nordics. We see growth opportunities across all regions and products for the rest of 2018.

*- Kristian Nesbak, CEO and Founder*



# OPERATIONAL REVIEW

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Infront provides a combination of real-time global market data, news, analytics and trading tools to private and institutional investors. These solutions have been developed by industry experts over the past 20 years, delivering state-of-the-art technology that keeps Infront's clients ahead of the game. The Infront terminal has become one of the most intuitive and flexible financial data terminals available, helping institutions adapt to ever-changing market requirements, work more effectively with increasing amounts of information and do so in a cost-efficient manner. Infront has offices in London, Paris, Cape Town, Johannesburg, Stockholm, Copenhagen, Helsinki and Oslo.

## Terminals and Solutions

Terminals and Solutions revenue from external customers was NOK 45.2 million in Q1 2018, representing 30% growth compared to Q1 2017.

The migration of SIX Edge users to the Infront platform was completed in Q4 2017. In November, Infront Web Technology was chosen by SEB to provide financial market data for the bank's web-based solutions targeting private investors, and small and mid-sized corporate customers. The solutions are available for both SEB's private and corporate clients as part of an open web service, while a log-in is required to use the full scope of the Infront offering. While initial invoicing related to this contract commenced in Q1 2018, the normalized revenue impact is not expected until later in the year.

Furthermore, a strategic contract with a South African tier-one financial institution was signed.

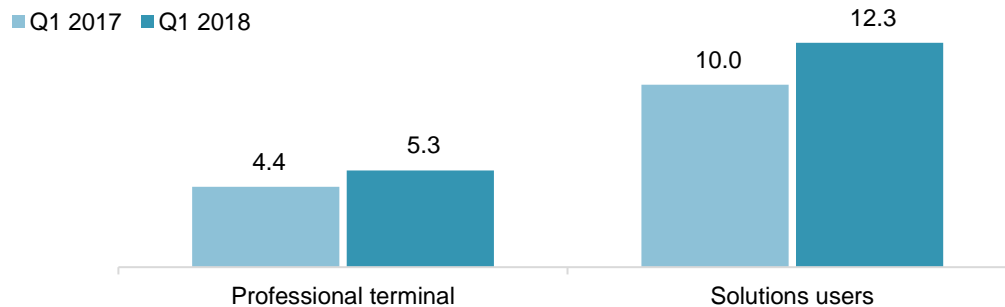
### Client base

The number of paying users increased by 23% to 17.7k in Q1 2018 (14.3k in Q1 2017) driven by the SIX Edge migration and organic growth. Terminal users represent paying users of Infront professional terminals for market data and analytics and professional trading terminals. Solution users represent paying users of Infront retail trading solutions and other solutions such as FX, mobile and media. The number of professional terminal users rose by 22% and solutions users increased by 24% compared to Q1 2017.



### Number of clients per Infront product:

'000s of users



## News

Q1 2018 News revenue from external customers was NOK 14.8 million, a decrease of 1% from Q1 2017.

The News division has undergone organizational adjustments to improve its ability to capture market opportunities across the Nordics. Furthermore, due to the recent acquisition of Inquiry Financial Europe AB, some IR and data-related activities were from Q4 2017 invoiced directly from Inquiry, thereby reducing revenue recognized by the News division, while increasing the revenue recognized by the Analytics and Other segment.

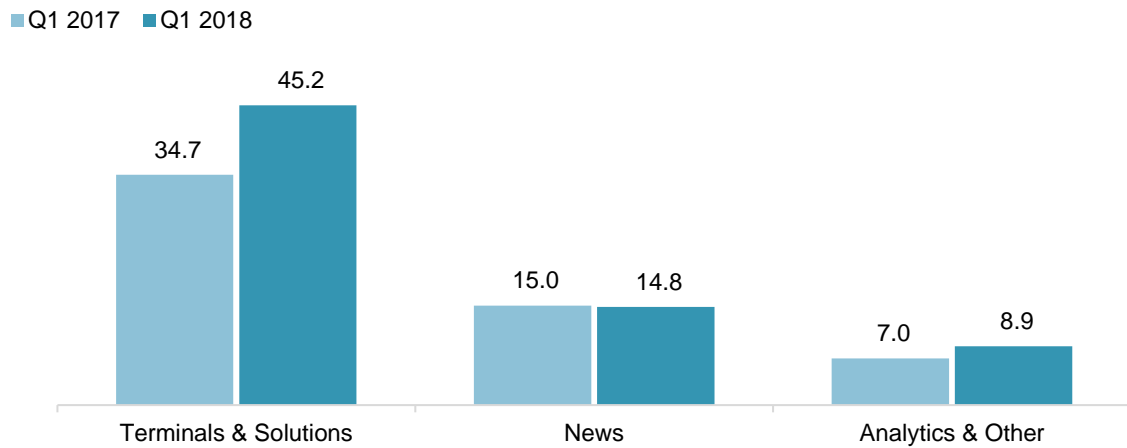
## Analytics and Other

Q1 2018 Analytics and Other revenue from external customers was NOK 8.9 million, a growth of 27% from Q1 2017. Revenue increased because of the acquisition of Inquiry and organic growth, as well as a revised allocation of tasks and revenue between this division and the News division.



### Revenue per segment

(NOK million)



From Q4 2017, the unit providing business valuation and equity analysis tools was renamed Infront Analytics to reflect its integral part of the group and to strengthen overall corporate branding.

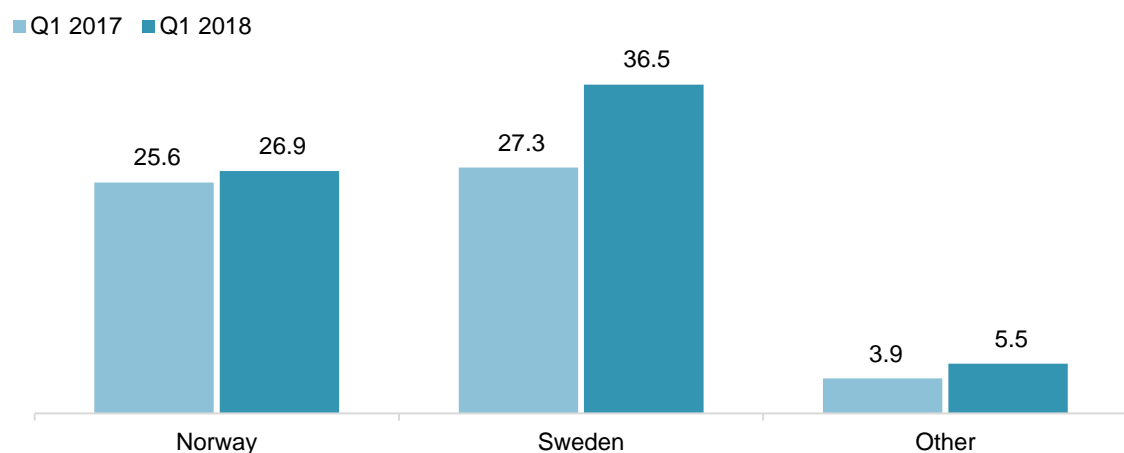
### Revenue per region

Q1 2018 revenue from Sweden increased 34% year-over-year with SIX News, SIX migration transactions and the acquisition of Inquiry as the main contributors. Revenue from Norway and Other regions had growth of 5% and 43% respectively on migration effects and organic growth.

Sweden and Norway represented 53% and 39% respectively of group revenue in Q1 2018.

### Revenue per region:

(NOK million)





## Outlook

2018 started with the implementation of the new EU directives MiFID II and MiFIR as a key focus area for the financial market participants. Infront's products had been upgraded to fully comply with these new regulations and has made the transition easier for our customers. The company will continue to provide improved products that help customers cope with burdens imposed by new regulations. Infront is committed to deliver outstanding value to its customers through innovative and user-friendly solutions. Continued product development is a key component of the business strategy.

Infront continuously seeks to strengthen its local position and improve its customer offering. The company expects continued progress during 2018 with increased number of terminal users and new retail solutions implemented for key customers. All of Infront's offices in Europe and South Africa have improved traction in their respective markets and the company expects all regions to contribute to growth for the remainder of 2018.

Infront continues to pursue M&A opportunities to further improve the products and service offering, and to expand the customer base. Infront targets a top-3 position in the market for terminals to financial professionals in Europe. Infront continues to work towards this long-term target, supported by a strong pipeline in Europe and South Africa, a strengthened sales team and the financial flexibility to actively pursue add-on acquisitions.



# FINANCIAL REVIEW

(Figures for the corresponding period in 2017 are shown in brackets)

## Profit and Loss

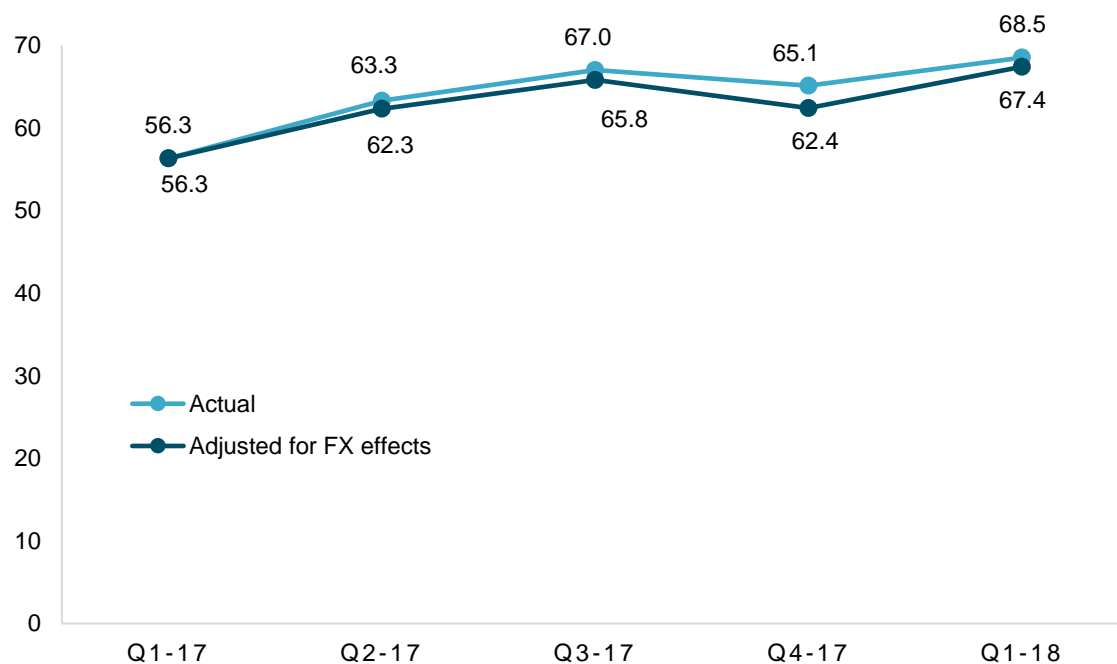
Q1 2018 operating revenue was NOK 68.9 million (NOK 56.8 million). The growth of 21% from the same period of last year was driven by increased sales and prices across the group, the inclusion of external revenues from the acquisition of Inquiry Financial Europe AB, as well as continued positive impact from the SIX transactions.

EBITDA was NOK 14.5 million in Q1 2018, an increase of 93% compared to the same quarter last year adjusted EBITDA for IPO and M&A related cost (NOK 7.5 million).

Infront generates most of its revenue from recurring subscription contracts for its products. To date in 2018, Infront has continued to show a steady growth of recurring revenue, which represented 99% of total sales for the period.

## Recurring revenue development

(NOK million)





Cost of services rendered for the period was NOK 23.0 million (NOK 18.6 million). The increase reflects the completion of the SIX transaction, some general cost increase from 2018 and higher activity.

Employee-related expenses were NOK 24.8 million (NOK 21.9 million). The increase was primarily due to inclusion of Inquiry, an increased number of employees related to the expansion in Finland, and general salary increases. The group employed 126 FTEs at the end of Q1 2018 (121).

Other operating expenses were NOK 6.6 million in Q1 2018, compared to NOK 8.8 million same quarter last year adjusted for external consultants and advisors used as part of the IPO and M&A process.

The Q1 2018 EBITDA was NOK 14.5 million, a year-over-year increase of 93%, compared to adjusted EBITDA NOK 7.5 million in Q1 2017. EBITDA for same quarter last year was adjusted for IPO and M&A related expenses of NOK 1.3 million.

Net financial income was NOK 4.4 million in Q1 2018 (net financial expenses of NOK 0.4 million). The change was primarily a result of foreign exchange transactions and translations.

Income tax expense for the period was negative NOK 1.8 million (negative NOK 0.2 million).

Net income for the period was NOK 11.9 million (NOK 0.6 million). This is equivalent to earnings per share of NOK 0.46 (NOK 0.27).

## Financial position

Total assets at 31 March 2018 were NOK 259.8 million, compared to NOK 274.9 million at the end of December 2017. The decrease was due to the negative cash effect from purchasing the remaining shares of Inquiry in March 2018, and the impact from depreciation and amortization of non-current assets.

The combined book value of Intangible assets and Equipment and fixtures decreased to NOK 110.7 million (NOK 115.6 million).

Trade and other receivables were NOK 38.2 million at the end of Q1 2018, compared to NOK 30.0 million at the end of 2017.

The Q1 2018 cash position was NOK 103.9 million, compared to NOK 122.8 million at the end of 2017. The decrease was related to payment for acquisition of the remaining shares of Inquiry and increased net working capital.

Total non-current liabilities at the end of Q1 2018 were NOK 32.7 million, compared to NOK 45.7 million at the end of 2017. The decrease was primarily due to the payment for the remaining stake in Inquiry in the quarter.





Current liabilities at the end of Q1 2018 were NOK 79.8 million, compared to NOK 91.5 million at the end of 2017.

## **Cash Flow**

Net cash flow from operational activities in Q1 2018 was negative NOK 5.5 million (NOK 8.0 million). Cash flow was negatively impacted by an increase in trade and other receivables due to a seasonality effect as well as a reduction in trade and other payables. This effect is being reversed during Q2 2018.

Net cash flow from investing activities was negative at NOK 10.7 million year-to-date (negative NOK 25.7 million). Payment for the acquisition of the 22.78% remaining shares of Inquiry amounted to NOK 5.8 million. Investments in software development was stable at NOK 2.8 million Q1 2018 (NOK 3.0 million).

Net cash flow from financing activities was negative at NOK 0.4 million (NOK 6.3 million).



# INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

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## Consolidated income statement

(unaudited)

(NOK 1.000)	Note	Q1 2018	Q1 2017
Revenues	2	68 913	56 790
Total operating revenues		68 913	56 790
Cost of services rendered		22 976	18 555
Salary and personnel expenses	3	24 815	21 885
Other operating expenses		6 632	10 114
Depreciation and amortization		5 149	5 054
Total operating expenses		59 572	55 609
Operating profit		9 341	1 182
Financial income		4 961	509
Financial expenses		-575	-864
Financial income/(expenses) - net		4 386	-355
Profit before income tax		13 727	826
Income tax expenses		-1 842	-238
Profit for the period		11 884	589
Profit is attributable to:			
Owners of Infront ASA		11 884	550
Non-controlling interests		-	39
		11 884	589
Earnings per share			
Basic and diluted earnings per share		0.46	0.27
Average number of basic /(diluted) shares		25 997 856	2 165 003



## Statement of comprehensive income

(unaudited)

(NOK 1.000)	Note	Q1 2018	Q1 2017
Profit for the period		11 884	589
Other comprehensive income (net of tax):			
Exchange differences on translation of foreign operations		-4 500	232
<b>Total comprehensive income for the period</b>		<b>7 384</b>	<b>821</b>
Total comprehensive income is attributable to:			
Owners of Infront ASA		7 384	821
		<b>7 384</b>	<b>821</b>



## Consolidated statement of financial position

(unaudited)

(NOK 1.000)	Note	31.03.2018	31.12.2017
ASSETS			
Non-current assets			
Equipment and fixtures		2 280	2 515
Intangible assets		108 391	113 048
Deferred tax asset		6 289	5 822
Pension assets		493	434
Receivables		283	297
Total non-current assets		117 735	122 115
Current assets			
Trade and other receivables		38 150	29 991
Cash and cash equivalents		103 902	122 796
Total current assets		142 052	152 787
TOTAL ASSETS		259 786	274 902

(NOK 1.000)	Note	31.03.2018	31.12.2017
EQUITY AND LIABILITIES			
Equity			
Share capital		2 600	2 600
Share premium		105 284	105 284
Other equity		39 353	27 171
Total equity attributable to owners of the parent		147 236	135 055
Non-controlling interests		-	2 681
Total equity		147 236	137 735
Non-current liabilities			
Derivative financial instruments		-	8 022
Pension liabilities		603	510
Deferred tax liabilities		1 850	-
Other non-current financial liabilities		30 274	34 293
Total non-current liabilities		32 727	42 825
Current liabilities			
Trade and other payables		43 935	53 475
Other current financial liabilities		17 327	17 994
Deferred revenue		20 079	21 002
Current tax liabilities		-1 517	1 870
Total current liabilities		79 823	94 341
Total liabilities		112 550	137 167
TOTAL EQUITY AND LIABILITIES		259 786	274 902



## Consolidated statement of cash flows

(unaudited)

(NOK 1.000)	Note	31.03.2018	31.03.2017
Cash flows from operating activities			
Profit (loss) before tax		13 727	826
<i>Adjustments for</i>			
Taxes paid		-515	-1 728
Depreciation, amortization and net impairment losses		5 149	5 054
Pension expense without cash effect		36	38
Changes in conditional consideration		1 420	-
Change in operating assets and liabilities, net of effects from purchase of controlled entities			
Change in trade receivable and other receivables		-9 210	403
Change in deferred revenue		-171	577
Change in trade and other payables		-15 934	2 861
<b>Net cash inflow (outflow) from operating activities</b>		<b>-5 499</b>	<b>8 031</b>
Cash flows from investing activities			
Payment for acquisitions of subsidiary, net of cash acquired	5	-5 839	-8 661
Payment for intangible assets		-1 916	-12 386
Payment for property, plant and equipment		-121	-1 685
Payment for software development costs		-2 846	-3 008
Receipt of government grants		-	-
<b>Net cash (outflow) from investing activities</b>		<b>-10 721</b>	<b>-25 741</b>
Cash flows from financing activities			
Repayment of long-term debt		-393	6 336
<b>Net cash inflow (outflow) from financing activities</b>		<b>-393</b>	<b>6 336</b>
Net increase/(decrease) in cash and cash equivalents		-16 614	-11 373
Cash and cash equivalents 1 January		122 796	37 569
Effects of exchange rate changes on cash and cash equivalents		-2 281	318
<b>Cash and cash equivalents ending of period</b>		<b>103 902</b>	<b>26 514</b>



## Consolidated statement of changes in equity

(unaudited)

(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 2016	217	7 861	-1	-50	32 742	40 769	-	40 769
Profit/loss for 1 January to 31 December 2017	-	-	-	-	3 676	3 676	3	3 679
Currency translation differences	-	-	-	2 185	-	2 185	-	2 185
Issue of share capital	435	99 370	-	-	-	99 804	-	99 804
Transferred from other equity	1 949	-1 949	-	-	-	-	-	-
Cost of equity issues	-	-	-	-	-3 661	-3 661	-	-3 661
Put option to non-controlling interest	-	-	-	-	-7 719	-7 719	-	-7 719
Non-controlling interest arising on business combinations	-	-	-	-	-	-	2 678	2 678
Balance at 31 December 2017	2 600	105 282	-1	2 135	25 038	135 054	2 681	137 735
Balance at 31 December 2017	2 600	105 282	-1	2 135	25 038	135 054	2 681	137 735
Profit/loss for Q1	-	-	-	-	11 884	11 884	-	11 884
Currency translation differences	-	-	-	-4 500	-	-4 500	-	-4 500
Acquisition of non-controlling interest in Inquiry AB	-	-	-	-	-5 839	-5 839	-	-5 839
Put option to non-controlling interest	-	-	-	-	7 956	7 956	-	7 956
Balance at 31 March 2018	2 600	105 282	-1	-2 366	39 039	144 555	2 681	147 236



# NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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## 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 14 May 2018.

### Basis of Preparation

The interim consolidated financial statements for the first quarter 2018, ending 31 March 2018, 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 2017.

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 2017.

The standards and interpretations effective from 1 January 2017 do not have a significant impact on the Group's consolidated interim financial statements.



## Note 2. Segment information

(NOK 1.000)

Revenue per region 31.03.2018

	Norway	Sweden	Other	Eliminations	Consolidated
Revenue					
External customers	26 882	36 498	5 533	-	68 913
Inter-segment	12 682	7 247	2 120	-22 049	-
Total revenue	39 564	43 745	7 653	-22 049	68 913
EBITDA	-5 387	21 674	-1 797	-	14 490
Inter-segment	3 999	-6 119	2 120	-	-
Total assets	194 723	48 613	16 450		259 786
Inter-segment	33 998	43 462	11 172	-88 632	-
Total liabilities	83 148	18 055	11 347	-	112 550
Inter-segment	-14 130	47 885	11 899	-45 654	-
Depreciation and amortization	4 642	453	54	-	5 149
Inter-segment	-1 350	-81	-	1 432	-

Revenue per region 31.03.2017

	Norway	Sweden	Other	Eliminations	Consolidated
Revenue					
External customers	25 632	27 289	3 870	-	56 790
Inter-segment	12 438	3 508	1 464	-17 410	-
Total revenue	38 070	30 797	5 334	-17 410	56 790
EBITDA	-6 044	14 814	-2 534	-	6 236
Inter-segment	6 715	-8 179	1 464	-	-
Total assets	157 875	23 147	2 376	-	183 398
Inter-segment	-31 457	41 330	20 599	-30 472	-
Total liabilities	104 733	31 123	10 950	-	146 806
Inter-segment	-33 093	19 924	6 303	6 866	-
Depreciation and amortization	4 817	220	17	-	5 054
Inter-segment	-1 512	-	-	1 512	-





(NOK 1.000)

Revenue per segment 31.03.2018

	Terminals and Solutions	News	Analytics and other	Eliminations	Consolidated
Revenue					
External customers	45 223	14 804	8 887	-	68 913
Inter-segment	11 709	7 026	3 315	-22 049	-
<b>Total revenue</b>	<b>56 931</b>	<b>21 830</b>	<b>12 202</b>	<b>-22 049</b>	<b>68 913</b>
EBITDA	8 995	4 125	1 370	-	14 490
Inter-segment	-8 553	5 456	3 097	-	-
<b>Total assets</b>	<b>225 461</b>	<b>20 498</b>	<b>13 827</b>	<b>-</b>	<b>259 786</b>
Inter-segment	52 307	18 707	17 617	-88 632	-
<b>Total liabilities</b>	<b>99 443</b>	<b>9 386</b>	<b>3 721</b>	<b>-</b>	<b>112 550</b>
Inter-segment	30 424	13 362	1 868	-45 654	-
Depreciation and amortization	4 688	148	313	-	5 149
Inter-segment	-1 303	-48	-81	1 432	-

Revenue per segment 31.03.2017

	Terminals and Solutions	News	Analytics and other	Eliminations	Consolidated
Revenue					
External customers	34 748	15 021	7 021	-	56 790
Inter-segment	11 473	4 185	1 753	-17 410	-
<b>Total revenue</b>	<b>46 221</b>	<b>19 206</b>	<b>8 773</b>	<b>-17 410</b>	<b>56 790</b>
EBITDA	1 579	3 799	858	-	6 236
Inter-segment	-5 799	4 047	1 753	-	-
<b>Total assets</b>	<b>164 227</b>	<b>11 204</b>	<b>7 967</b>	<b>-</b>	<b>183 398</b>
Inter-segment	-13 262	23 352	20 382	-30 472	-
<b>Total liabilities</b>	<b>109 046</b>	<b>16 908</b>	<b>20 852</b>	<b>-</b>	<b>146 806</b>
Inter-segment	-9 193	8 998	-6 670	6 866	-
Depreciation and amortization	4 805	157	92	-	5 054
Inter-segment	-1 464	-48	-	1512	-



### Note 3. Number of employees

Number of employees (full-time equivalents) at the end of the first quarter was 126 in 2018 and 121 in 2017.

### Note 4. Investment in subsidiaries

31.03.2018

<b>Company</b>	<b>Date of acquisition</b>	<b>Consolidated (yes/no)</b>	<b>Registered office</b>	<b>Voting share</b>	<b>Ownership share</b>
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%
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%
Inquiry Financial Europe AB	07.03.2017	yes	Stockholm	100%	100%
Infront Finland OY	28.09.2017	yes	Helsinki	100%	100%

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

### Note 5. Business combination

The Infront Group acquired 22.78% of the remaining shares of Inquiry Financial Europe AB in March 2018. The Group owns 100% shares of Inquiry as of 31 March 2018.



## DEFINITIONS AND GLOSSARY

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### **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 IPO-related costs.
- Quarterly recurring revenue represents quarterly recurring operating revenue
- Quarterly recurring revenue adjusted for FX effects represents quarterly recurring operating revenue adjusted for the foreign currency translation and transaction effects year-over-year

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, 31 March 2018
IPO	Initial public offering
M&A	Mergers and acquisitions
MiFID II	Directive 2014/65/EU

## Infront ASA

### Headquarters

Munkedamsveien 45

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.

