

Q2 2018

Infront ASA – interim report





HIGHLIGHTS

- Q2 2018 revenue increased 7% to NOK 68.1 million from NOK 63.5 million in Q2 2017
 - Steady revenue and user growth experienced in all regions
 - Positive topline developments in South Africa and UK with revenue up 26% and 16%, respectively compared to Q1 2018
 - Continued positive contribution from the acquisition of Inquiry Financial Europe AB and SIX transactions
 - Adjusted for foreign exchange translation effects revenue in period was NOK 69.7 million
- EBITDA increased 171% to NOK 11.0 million from NOK 4.0 million in Q2 2017
 - Driven by higher revenues across all segments, increased gross margin and stable operating expenses
 - Adjusted EBITDA decreased 11% to NOK 11.0 million from NOK 12.4 million in Q2 2017 due to higher Opex mainly driven by increased investments in future growth
- 17% increase in number of paying terminals and solutions users to 17.7k from 15.1k in Q2 2017



We experienced good growth in terminals and solutions subscribers across all regions, including the UK and South Africa in the second quarter. This was reflected in continued revenue growth despite currency headwind caused by a weaker Swedish krona. Interest for our retail web technology solutions remains strong from leading financial institutions across the Nordics, and we expect to see several growth opportunities for the rest of 2018.

- Kristian Nesbak, CEO and Founder



OPERATIONAL REVIEW

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 44.9 million in Q2 2018, representing 12% growth compared to Q2 2017. Approximately 60% of the quarterly revenue in this segment is recognized in Swedish krona. The migration of SIX Edge users had a positive impact on revenue measured YoY.

Both new markets South Africa and UK experienced positive revenue development in this quarter, with 26% and 16% revenue increase respectively compared to Q1 2018.

In November 2017, 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. While initial invoicing under this contract commenced in the first half of 2018, the normalized revenue impact is expected later in the year.

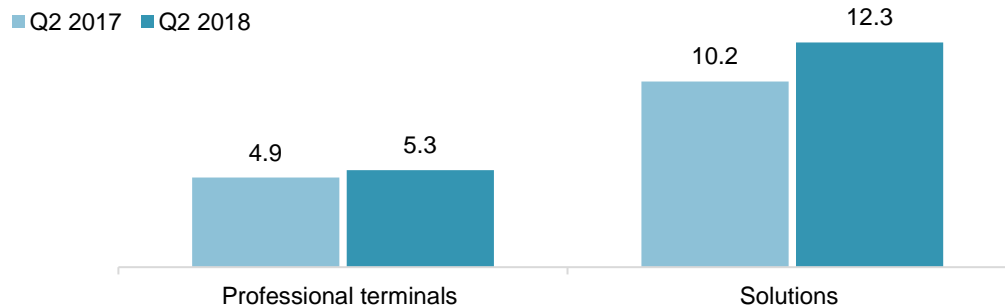
Client base

The number of paying users increased by 17% to 17.7k in Q2 2018 (15.1k in Q2 2017) driven by the SIX Edge migration and organic growth in all regions. 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 9% and solutions users increased by 21% compared to Q2 2017.



Number of paying users per Infront product:

'000s of users



News

Q2 2018 News revenue from external customers was NOK 14.5 million, a decrease of 8% from Q2 2017. In late 2017, the News division was restructured to improve its ability to capture market opportunities across the Nordics. Furthermore, due to the 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. After the restructuring, the News segment had an average quarterly revenue of NOK 14.8 million in year 2017.

In Q2 2018, 85% of the quarterly revenue in this segment was recognized in Swedish krona.

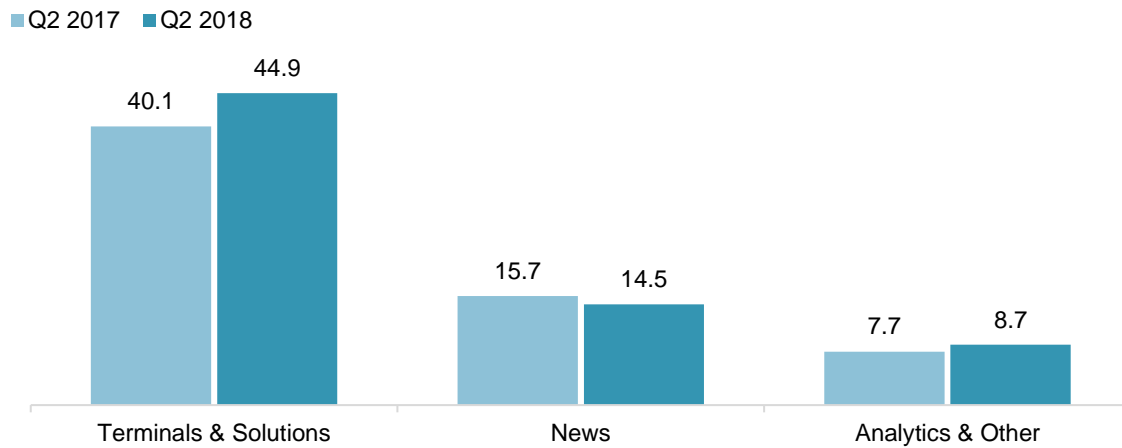
Analytics and Other

Q2 2018 Analytics and Other revenue from external customers was NOK 8.7 million, a growth of 13% from Q2 2017. Revenue increase reflected steady organic growth in Infront Analytics and positive revenue synergies due to increased integration with Inquiry, as well as a revised allocation of tasks and revenue between this division and the News division. The recent implementation of MiFID II has led to some uncertainty regarding production and distribution of consensus estimates to the market as discussions with data providers are ongoing. Infront is currently working towards a sustainable business model for all data providers that ensures the dissemination of market-relevant information as well as the interests of the institutions preparing the data.



Revenue per segment

(NOK million)



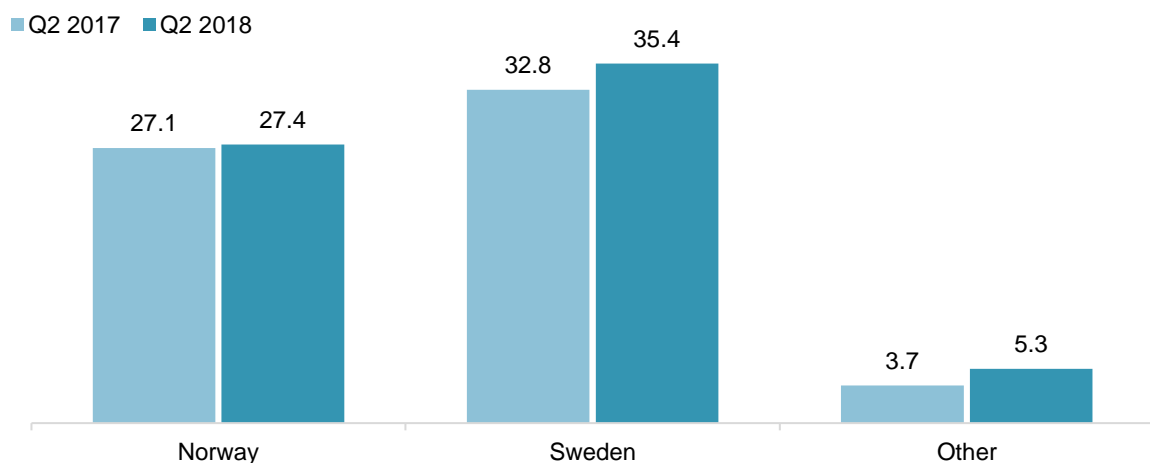
Revenue per region

Q2 2018 revenue from Sweden increased 8% YoY with SIX News, SIX migration transactions and the acquisition of Inquiry as the main contributors. Adjusted for foreign exchange movements, the quarterly revenue from Sweden arrived at NOK 36.9 million, a 13% increase compared to Q2 2017. Revenue from Norway and Other regions had growth of 1% and 44%, respectively, reflecting migration effects and organic growth.

Sweden and Norway represented 52% and 40%, respectively, of group revenue in Q2 2018.

Revenue per region:

(NOK million)





Outlook

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. 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 product has been upgraded to fully comply with these new regulations and has thus eased the transition for our customers.

Infront expects continued growth in the number of users of both terminals and the new retail solutions, from progress in implementation of newly won customer contracts. All Infront's offices in Europe and South Africa have continued to build 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. These activities have intensified during Q2 2018.

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 Second Quarter

Q2 2018 operating revenue was NOK 68.1 million (NOK 63.5 million), an increase of 7% from the same quarter last year, driven by higher sales and prices across the group, growth in new markets led by South Africa and UK, the inclusion of external revenues from the acquisition of Inquiry Financial Europe AB, as well as continued positive impact from the SIX transactions.

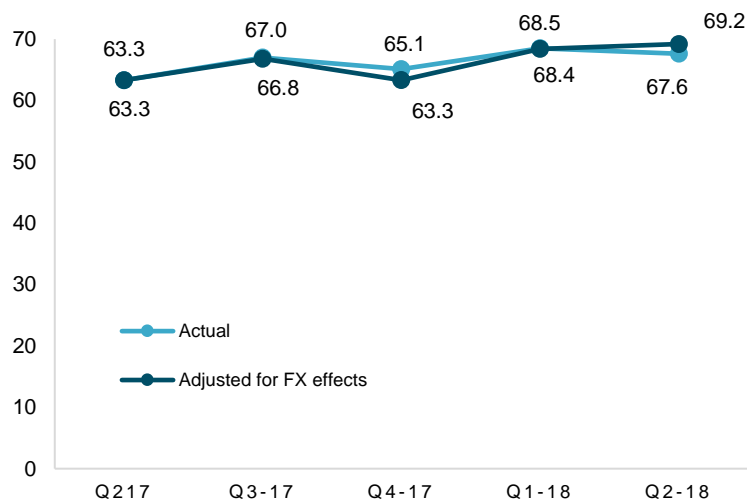
In Q2 2018, approximately 60% of revenue was recognized in foreign currencies. These moved in an unfavorable direction measured year-over-year, which had a negative impact on revenue of NOK 1.6 million in the reporting currency (NOK).

EBITDA was NOK 11.0 million in Q2 2018, an increase of 171% compared to the same quarter last year (NOK 4.0 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 22.1 million (NOK 19.5 million). The increase reflected the completion of the SIX transactions and general cost increases during the period.



Employee-related expenses were NOK 25.0 million (NOK 22.6 million). The increase primarily reflected staff increases due to the inclusion of Inquiry, an increased number of employees across the Group, and general salary increases. The group employed 129 FTEs at the end of Q2 2018 (118).

Other operating expenses were NOK 10.3 million in Q2 2018, compared to NOK 9.0 million same quarter last year which was adjusted for IPO costs and M&A-related process.

Net financial income was NOK 0.2 million in Q2 2018 (net financial expenses of NOK 0.7 million). The change was primarily a result of foreign exchange transactions and translations.

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

Net income for this quarter was NOK 6.0 million (negative NOK 1.5 million). This is equivalent to earnings per share of NOK 0.23 (negative NOK 0.07).

Profit and Loss First Half

Revenue in first-half 2018 was NOK 137.0 million (NOK 120.3 million), an increase of 14% from the same period last year.

EBITDA was NOK 25.5 million in first-half 2018, an increase of 148% compared to the same period last year (NOK 10.3 million).

Net income for the first-half was NOK 17.9 million (negative NOK 1.0 million). This is equivalent to earnings per share of NOK 0.69 (negative NOK 0.08).

EBITDA was NOK 11.0 m in Q2 2018 compared to NOK 14.5m in Q1 2018, as Q1 2018 was positively impacted by one-off reversal of Opex provision of NOK 3.1 million.

Financial position

Total assets at 30 June 2018 were NOK 242.1 million, compared to NOK 274.9 million at the end of December 2017. The decrease reflected the negative cash effects from payment for the remaining shares of Inquiry, payment of dividend and SIX transaction-related payments, as well as the decreased total fixed and intangible assets due to depreciation and amortization.

The combined book value of Intangible assets and Equipment and fixtures decreased to NOK 107.3 million (NOK 115.6 million).

Trade and other receivables were NOK 26.2 million at the end of Q2 2018, compared to NOK 30.0 million at the end of 2017.



The Q2 2018 cash position was NOK 101.7 million, compared to NOK 122.8 million at the end of 2017. The decrease was related to payment of 10.4 million dividend in May, the acquisition of the remaining shares of Inquiry and payment of last tranche of SIX News installment.

Total non-current liabilities at the end of Q2 2018 were NOK 28.5 million, compared to NOK 42.8 million at the end of 2017. The decrease was primarily due to the payment for the remaining stake in Inquiry in Q1 2018 and SIX transaction-related payments.

Current liabilities at the end of Q2 2018 were NOK 73.1 million, compared to NOK 94.3 million at the end of 2017.

Cash Flow

Net cash flow from operational activities as of 30 June 2018 was NOK 18.1 million (NOK 13.7 million same period last year). Cash flow experienced a positive impact from increased profit before tax, and experienced a negative impact from deferred revenue, an increase in net working capital and taxes paid.

Net cash flow from investing activities was negative at NOK 24.7 million year-to-date (negative NOK 28.5 million). Payment for the acquisition of the remaining shares of Inquiry amounted to NOK 5.8 million and payments for SIX transactions amounted to NOK 12.8 million in the period. Investments in software development was stable at NOK 5.5 million in the first half of 2018 (NOK 5.1 million).

Net cash flow from financing activities was negative at NOK 10.5 million (NOK 5.6 million). Dividend of NOK 10.4 million for 2017 was approved by the Annual General Meeting (AGM) on 27 April 2018 and paid out to shareholders in May.

Risk and uncertainties

Infront operates in a highly competitive and global market. The Company's success is dependent on a variety of factors, such as its proprietary technology, sales and marketing, and the like. Infront's ambition is to grow, both organically and through M&A, which may require additional capital. Infront operates across various regions and is exposed to currency exchange rate fluctuations, which may affect earnings as well as various local tax laws. For additional information, please refer to the latest annual report available at www.infrontfinance.com.

Transactions with related parties

For details please refer to Note 3 Transactions with related parties.



INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Consolidated income statement

(unaudited)

(NOK 1.000)	Note	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Revenues	2	68 105	63 546	137 018	120 336
Total operating revenues		68 105	63 546	137 018	120 336
Cost of services rendered		22 139	19 502	45 115	38 058
Salary and personnel expenses	3, 6	24 996	22 644	49 811	44 530
Other operating expenses		10 294	17 351	16 926	27 466
Depreciation and amortization		4 863	5 187	10 012	10 240
Other income		-290	-	-290	-
Total operating expenses		62 001	64 684	121 573	120 293
Operating profit		6 104	-1 139	15 445	43
Financial income		2 178	583	7 139	1 091
Financial expenses		-2 018	-1 243	-2 593	-2 107
Financial income/(expenses) - net		161	-660	4 546	-1 016
Profit before income tax		6 264	-1 799	19 991	-972
Income tax expenses		-257	290	-2 100	53
Profit for the period		6 007	-1 509	17 891	-919
Profit is attributable to:					
Owners of Infront ASA		6 007	-1 409	17 891	-858
Non-controlling interests		-	-100	-	-61
		6 007	-1 509	17 891	-919
Earnings per share					
Basic and diluted earnings per share		0.23	-0.07	0.69	-0.08
Average number of basic/(diluted) shares		25 997 856	21 650 030	25 997 856	11 907 517



Statement of comprehensive income

(unaudited)

(NOK 1.000)	Note	Q2 2018	Q2 2017	YTD 2018	YTD 2017
Profit for the period		6 007	-1 509	17 891	-919
<i>Other comprehensive income (net of tax):</i>					
Exchange differences on translation of					
Foreign operations		-2 384	1 042	-6 884	1 366
Total comprehensive income for the period		3623	-467	11 007	447

Total comprehensive income is attributable to:

Owners of Infront ASA		3623	-442	11 007	433
Non-controlling interests		-	-25	-	14



Consolidated statement of financial position

(unaudited)

(NOK 1.000)	Note	30.06.2018	31.12.2017
ASSETS			
Non-current assets			
Equipment and fixtures		2 609	2 515
Intangible assets		104 698	113 048
Deferred tax asset		6 124	5 822
Pension assets		478	434
Receivables		237	297
Total non-current assets		114 146	122 115
Current assets			
Trade and other receivables		26 220	29 991
Cash and cash equivalents		101 701	122 796
Total current assets		127 921	152 787
TOTAL ASSETS		242 067	274 902
(NOK 1.000)	Note	30.06.2018	31.12.2017
EQUITY AND LIABILITIES			
Equity			
Share capital		2 600	2 600
Share premium		105 284	105 284
Other equity		32 577	27 171
Total equity attributable to owners of the parent		140 460	135 055
Non-controlling interests		-	2 681
Total equity		140 460	137 735
Non-current liabilities			
Derivative financial instruments		-	8 022
Pension liabilities		707	510
Deferred tax liabilities		68	-
Other non-current financial liabilities		27 774	34 293
Total non-current liabilities		28 549	42 825
Current liabilities			
Trade and other payables		46 552	53 475
Other current financial liabilities		7 433	17 994
Deferred revenue		19 072	21 002
Current tax liabilities		-	1 870
Total current liabilities		73 058	94 341
Total liabilities		101 607	137 167
TOTAL EQUITY AND LIABILITIES		242 067	274 902



Consolidated statement of cash flows

(unaudited)

(NOK 1.000)	Note	30.06.2018	30.06.2017
Cash flows from operating activities			
Profit (loss) before tax		19 991	-972
<i>Adjustments for</i>			
Taxes paid		-4 140	-2 141
Depreciation, amortization and net impairment losses		10 012	10 240
Pension expense without cash effect		153	39
Changes in conditional consideration		-	-
<i>Change in operating assets and liabilities, net of effects from purchase of controlled entities</i>			
Change in trade receivable and other receivables		2 315	-2 214
Change in derivative financial instruments		-	221
Change in provisions		-3 073	-
Change in deferred revenue		-784	1 140
Change in trade and other payables		-6 394	7 398
Net cash inflow from operating activities		18 080	13 711
Cash flows from investing activities			
Payment for acquisitions of subsidiary, net of cash acquired	5	-5 839	-8 661
Payment for intangible assets		-12 800	-13 247
Payment for property, plant and equipment		-552	-1 553
Payment for software development costs		-5 530	-5 085
Receipt of government grants		-	-
Net cash outflow from investing activities		-24 721	-28 546
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		-	-
Proceeds from borrowings		-85	5 593
Dividends paid		-10 399	-
Net cash inflow (outflow) from financing activities		-10 484	5 593
Net increase/(decrease) in cash and cash equivalents		-17 125	-9 242
Effects of exchange rate changes on cash and cash equivalents		-3 970	1 277
Cash and cash equivalents at beginning of period		122 796	37 569
Cash and cash equivalents at end of period		101 701	29 604



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 1 January to 30 June 2018	-	-	-	-	17 891	17 891	-	17 891
Currency translation differences	-	-	-	-6 884	-	-6 884	-	-6 884
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
Dividend	-	-	-	-	-10 399	-10 399	-	-10 399
Balance at 30 June 2018	2 600	105 282	-1	-4 750	34 646	137 780	2 681	140 460



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Accounting principles

General Information

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

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

These consolidated financial statements have been approved for issuance by the Board of Directors on 23 August 2018.

Basis of Preparation

The interim consolidated financial statements for the second quarter 2018, ending 30 June 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 30.06.2018

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

Revenue per region 30.06.2017

	Norway	Sweden	Other	Eliminations	Consolidated
Revenue					
External customers	52 699	60 070	7 568	-	120 336
Inter-segment	25 210	6 811	3 091	-35 111	-
Total revenue	77 908	66 881	10 659	-35 111	120 336
EBITDA	-19 271	33 255	-3 701	-	10 284
Inter-segment	13 745	-16 835	3 091	-	-
Total assets	162 081	25 410	1 803	-	189 293
Inter-segment	-30 717	48 787	20 632	-38 702	-
Total liabilities	108 784	34 321	10 065	-	153 169
Inter-segment	-26 253	18 211	7 122	920	-
Depreciation and amortization	9 606	598	36	-	10 240
Inter-segment	-3 063	-	-	3 063	-



(NOK 1.000)

Revenue per segment 30.06.2018

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

Revenue per segment 30.06.2017

	Terminals and Solutions	News	Analytics and other	Eliminations	Consolidated
Revenue					
External customers	74 879	30 722	14 736	-	120 336
Inter-segment	23 052	8 546	3 513	-35 111	-
Total revenue	97 931	39 268	18 249	-35 111	120 336
EBITDA	198	7 451	2 634	-	10 284
Inter-segment	-11 796	8 283	3 513	-	-
Total assets	171 788	10 688	6 817	-	189 293
Inter-segment	-11 535	29 943	20 294	-38 702	-
Total liabilities	116 145	16 843	20 181	-	153 169
Inter-segment	-4 741	11 761	-7 941	920	-
Depreciation and amortization	9,583	316	341	-	10,240
Inter-segment	-2,967	-96	-	3,063	-



Note 3. Transactions with related parties

Transactions with associated companies

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

(NOK 1.000)

Per 30.06.2018		Sales to related parties	Purchases from related parties
Infront ASA	Norway	22 608	16 653
TDN Finans AS	Norway	2 324	494
The Online Trader Sweden AB	Sweden	339	23 155
Nyhetsbyrån Direkt AB	Sweden	11 455	2 503
Inquiry Financial Europe AB	Sweden	2 268	426
Infront Analytics SAS	France	4 238	-
Group total		43 230	43 230

Per 30.06.2017		Sales to related parties	Purchases from related parties
Infront ASA	Norway	23 052	11 465
TDN Finans AS	Norway	2 158	-
The Online Trader Sweden AB	Sweden	-	23 383
Nyhetsbyrån Direkt AB	Sweden	6 389	263
Inquiry Financial Europe AB	Sweden	422	-
Infront Analytics SAS	France	3 091	-
Group total		35 111	35 111



Note 4. Number of employees

Number of employees (full-time equivalents) at the end of the second quarter was 129 in 2018 and 118 in 2017.

Note 5. Investment in subsidiaries

30.06.2018

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%
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 6. Business combination

The Infront Group acquired the 22.78% of remaining shares of Inquiry Financial Europe AB in March 2018. The Group owns 100% shares of Inquiry Financial Europe AB as of 30 June 2018.



Note 7. Share options

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

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

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

Allotment of share options	Fair value (NOK)	Strike price	Grant date	Vesting date	Expiry date	Latest exercise schedule	Total number of share options	Exercised share options	Average exercise price	Remaining share options
Tranche I	1 197 541	27.13	26/06/2018	26/06/2019	26/06/2023	NA	344 309	-	-	344 309
Tranche II	1 700 232	27.13	26/06/2018	26/06/2020	26/06/2023	NA	344 309	-	-	344 309
Tranche III	2 103 315	27.13	26/06/2018	26/06/2021	26/06/2023	NA	344 309	-	-	344 309
Total	5 001 088						1 032 927	-	-	1 032 927

Fair value of the options

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

Share options currently held by primary insiders of Infront ASA:

Name	Position	Number of share options
Max Martin Hofer	CFO	387 347
Martin Holtet	CTO	232 408
Joachim Rosli	Head of Sales	103 293
SUM		723 048



RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2018 has been prepared in accordance with IAS 34-Interim Financial Reporting and gives a true and fair view of the Infront group's assets, liabilities, financial position and results for the period. We also confirm, to the best of our knowledge, that the financial review includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the financial statements, any major related parties transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

The Board of Directors of Infront ASA

Oslo, 23 August 2018

Gunnar Jacobsen
Chairman of the Board

Benjamin Jonathan Christoffer Røer
Member of the Board

Kristian Nesbak
Chief Executive Officer

Beate Skjerven Nygårdshaug
Member of the Board

Mark Ivin
Member of the Board

Torun Reinhammar
Member of the Board



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

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