2018
Annual report

Infront

Discover. Analyze. Trade.

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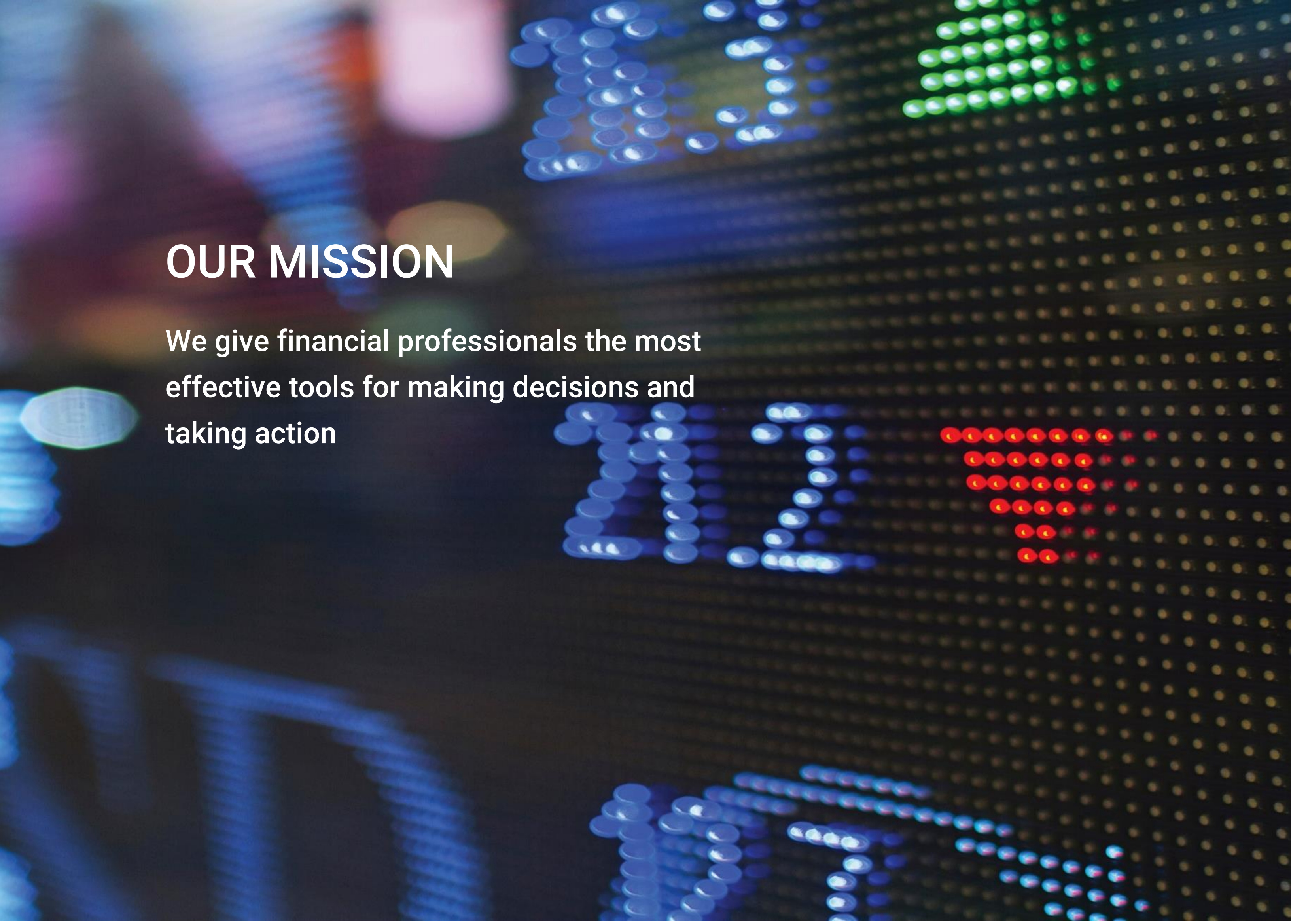
INFRONT AT A GLANCE

OUR HISTORY

Infront was founded in 1998 as a market data and trading solutions provider for financial professionals. We provide a unique combination of real-time global market data, news, analytics and trading tools. With proven solutions developed by industry experts over the last 20 years — and with product development driven by our clients' business needs — we have delivered and developed technology that keeps our clients ahead of the game. Over 40 000 professional subscribers in more than 50 countries worldwide rely upon our services. 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. Infront has 139 employees in Oslo, Stockholm, Copenhagen, London, Paris, Milan, Helsinki, Johannesburg and Cape Town.

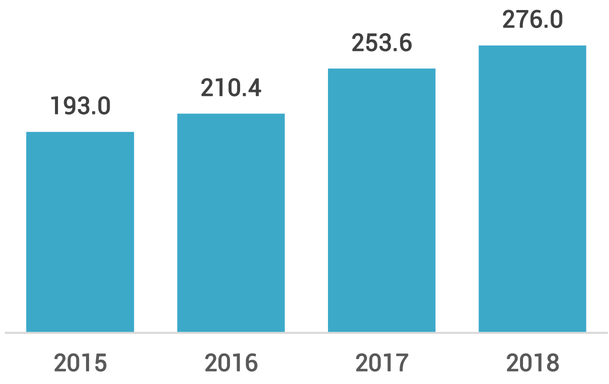
1998	Infront founded
1999	Public launch of first version
2001	Electronic trading features enabled
2003	Exceeded 1 000 paying users
2004	Nordic expansion by opening Danish office, the first outside of Norway
2005	Office in Stockholm opened
2008	Acquired Nyhetsbyrån Direkt, the Swedish newswire from Bisnode
2012	Acquired Infinancials, strengthening data and content, and expands to France
2014	Exceeded 10 000 paying users
2015	London office opened initiating expansion outside the Nordics
2016	Acquired TDN Finans from NHST Media Group
2016	First offices outside Europe established in Johannesburg and Cape Town
2017	Acquired majority stake in Inquiry Financial, enhancing data and analytics
2017	Office in Helsinki opened
2017	Successful IPO on Oslo Stock Exchange
2018	Acquired Market Connect to add clients, data and content, expanding to Italy
2019	Announced the acquisition of vwd Group GmbH



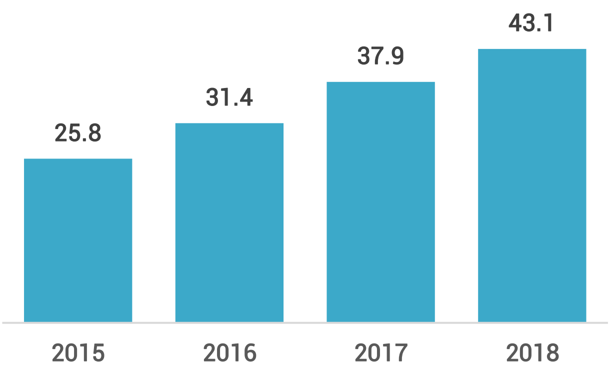
OUR MISSION

We give financial professionals the most effective tools for making decisions and taking action

REVENUE (NOK million)



EBITDA (NOK million)



CHIEF EXECUTIVE LETTER

At Infront we work every day to provide our customers with quality real-time market data, news and analytics to help them manage their workflows and gain an edge in the market. We have a strong Nordic position and a rapidly expanding European presence built on more than two decades of continuous innovation and product development. Our terminals and web solutions are today used by more than 40 000 finance professionals from the Arctic Circle to Cape Town.

2018 was another year of high activity and growth for Infront. Group revenue increased 9% to NOK 276 million and adjusted EBITDA was NOK 48.1 million. The positive development reflected continued user growth in all regions and contributions from the acquisitions of Inquiry Financial Europe AB, SIX News and the completed migration of SIX Edge customers. I would like to highlight a strong performance in UK and South Africa as well as the growing impact of Infront Web Technology solutions.

Highlights from 2018

In late December, we acquired Market Connect, now Infront Italia. The business is highly complementary to our existing operations, providing feed, web solution and terminal products to more than 20 000 finance professionals and more than 100 000 retail investors through its partners. The transaction is an important step towards our ambition of becoming a top-3 vendor of terminals to finance professionals in Europe.

Our Retail Web Trading Solution continued building momentum throughout the year. It is aimed at large financial institutions seeking to provide their customers with a state-of-the-art web-based trading product. We continued implementation at SEB, and in November, we signed an agreement with Handelsbanken to develop an online market data and trading service for their private investors, small and mid-sized company clients and offices. The solution was launched before year-end, confirming our ability to effectively execute large and complex projects. The Handelsbanken solution is the first to be supported by internal data sourcing. We expect continued growth for web solutions going forward.

Innovation is at the core of our strategy. We were prepared for the introduction of new financial markets regulations led by MiFID II, thereby enabling our customers to seamlessly adapt to the new trading environment from the start of the year. We established Infront Data to provide insights into market expectations and company information. We also established the Nordic Core Consensus initiative together with leading Nordic research providers and look forward to developing our market consensus product further in 2019.

Extending our reach

We have more than doubled our professional subscribers base over the past year, and the Infront terminal is currently installed in more than 50 countries. However, our reach extends much further via our web solutions and data feeds which impact more and more people every day.

We have made good progress on our journey to become a leading European provider of financial terminals. The integration of Infront Italia is well underway with significant synergies identified and realized. Our professional terminal is now available in the Italian market with local quality data and information. With Italian data available in our flagship product, we also increase our organic revenue growth potential internationally.

On 11 April 2019, Infront announced the acquisition of vwd Group GmbH (VWD), a leader in software solutions for investment professionals in the DACH and Benelux regions. This transaction will further strengthen Infront's market position and market share significantly and the Infront Group therefore becomes one of the leading providers of financial terminals in Europe. Together with Market Connect and VWD, we will reach an even wider customer base, explore significant cross- and upsell opportunities and capture cost synergies. We aim to continue establishing a stable platform for organic growth both in Europe and globally.

Still, we have further steps to take. Technology advancements, new regulations, and customer preferences and needs drive our industry. We must stay at the forefront of these developments and continue to innovate in close collaboration with our clients to ensure that the Infront Professional Terminal is the most intuitive, flexible and relevant solution for investment professionals in Europe and beyond.

We help our customers to work more effectively and profitably with increasing amounts of data. This is the driving force behind our value creation for all our stakeholders. And I am proud to say that we continue to capture market share as one of the most prominent European FinTech players. Doing so requires a huge team effort. So, to all my colleagues, to our partners and customers - thank you for your continued support and for taking part in our exciting journey.

Kristian Nesbak
CEO

PRODUCTS AND SERVICES

Infront provides market data, trading solutions, and news for finance professionals and private investors. The Infront Group consists of the following product areas:

Infront Professional Terminal

Infront Professional Trading Terminal

Retail Trading Solutions

Infront Analytics

Infront Data

Financial News Data

The Infront Professional Terminal

The Infront Professional Terminal combines real-time global market data, news, analytics and electronic trading in one intuitive platform, putting financial markets at the user's fingertips. With access to their entire workflow in a single solution, users can make better investment decisions, faster.

Regulatory changes related to the introduction of MiFID II and PRIIPs KID were the main areas of focus at the start of 2018. Infront was prepared for the new legislation and supported the changes throughout the product portfolio. This was an important enabler and support for customers' business in 2018.

Throughout the year, Infront expanded both the content and features available to its customers. A total of three major and many minor software releases were introduced to add content and solidify the position of the Infront Professional Terminal as the natural choice for finance professionals. This was reflected in continued growth in the number of terminal subscribers in 2018.

The Infront Professional Terminal can easily be expanded to include additional modules. The Treasury Module was one of the most popular in 2018, clearly identifying demand for alternative high-quality solutions within fixed income, money markets and currency. The ability to trade directly from the terminal was also a key driver for sales, and Infront enabled several new direct trading connections for investment banks and brokerages during 2018. Additionally, feature improvements such as expanded multi-broker trading were launched during the year.

Overall, customer reception of Infront's professional products remained very positive through 2018 and the group strengthened its market position as a quality provider of multi-asset trading and portfolio solutions.

Retail trading solutions

Infront continued to develop its position in the retail segment through the year. After having provided web technology solutions for some years, the group decided to renew the web technology platform. The transition has been highly successful and Infront's web front-end technologies are now among the most scalable, high-performing and fault-tolerant available to the market. During 2018, the updated technology platform led to the launch of new versions of Infront's Mobile Apps and Infront's Web Toolkit.

Infront web technology was launched with SEB and Handelsbanken in 2018, representing two major financial institutions using the technology to power their websites for thousands of their customers. These projects confirmed that the latest version of the technology platform meets very high customer requirements and will be an important part of Infront's product portfolio in the future.

With the Infront Professional Terminal for the most sophisticated users, the Infront Web Trader for mid-tier users and the Infront Web Toolkit for custom web sites, Infront now has a complete offering covering all front-end needs of any financial institution.

Infront Analytics

The Infront Analytics platform provides finance professionals access to fast and easy fundamental analysis, combined with business valuation and equity analysis tools. With a modern web interface, it enables the user to screen, compare and analyse globally listed companies, accessing financial statements, consensus estimates, peer-groups, ratios, charts and valuation metrics. The Infront Analytics platform also includes a powerful Excel plug-in allowing bespoke data extractions and financial analysis models.

Infront Analytics is sold both as a stand-alone platform by the subsidiary Infront Analytics SAS and as part of the Infront Terminal. The product is sold on a subscription basis as a Software-as-a-Service.

Infront Data

In 2018, Inquiry Financial became Infront Data. It is an internal provider of data on market expectations and company information. The data is available in the Infront Professional Terminal, and the Web Toolkit and as separate feeds for clients building stand-alone applications or websites. Infront Data is also responsible for the group's Investor Relations and consensus estimate products, which will be further expanded and enhanced in 2019.

Infront Data has a track record for providing investment professionals with quality consensus estimates. The precision and quality of the market expectations provided have made Infront Data the number one choice among companies' executive management/IR departments, financial market analysts, media and other institutions.

News agency

Infront's proprietary news operations consist of News Agency Direkt in Sweden and TDN Direkt in Norway. Together, they produce the news that influenced decision makers across the Nordic financial markets. The far-reaching distribution of Infront's real-time news has proven to have real market impact, primarily for equities, bonds, currencies, raw materials and funds.

In 2018, News Agency Direkt celebrated its 30th anniversary and its tenth year as part of the Infront Group. The business has been able to build on its market-leading position and reached a new all-time high in terms of both sales and earnings. Direkt has been ranked the best Swedish financial newswire for 21 out of the last 22 years, rated by professional investors and managers in listed blue chip companies.

The strategy of broadening operations, expanding news coverage and adding new formats, primarily TV / video and events, has been successful. The strategy can be duplicated in new markets to create new growth opportunities.

Infront's customers represent all market segments, from financial institutions to private investors, from government organizations to corporations. News services and business concepts are often developed together with customers based on their specific requirements, thereby providing solutions tailor-made and bundled to suit customer needs.

In 2018, certain data processing activities were transferred from the news operations to Infront Data as part of a corporate restructuring.

MANAGEMENT TEAM

Chief Executive Officer, Kristian Nesbak

Kristian Nesbak was one of the founders of Falcon, which became the market leader in financial information services in Norway and Sweden. In 1994, Reuters purchased Falcon, and Kristian was made responsible for their internet products in the Nordic countries. Kristian founded Infront together with Morten Lindeman in 1998.

Chief Innovation Officer, Morten Lindeman

Morten Lindeman has deep experience in the financial/IT industry from Falcon and Reuters. He has developed consumer applications and distribution systems for real-time information and data. He holds the position of Chief Innovation Officer at Infront where he is responsible for technology and innovation, mainly related to server and distribution technologies. Morten founded Infront together with Kristian Nesbak in 1998.

Chief Financial Officer, Max Hofer

Max Hofer joined Infront in December 2013. He previously served as the CFO of a fast-growing technology company and has experience from Private Equity. Max started his career at McKinsey & Company, working on corporate finance and strategy projects for clients across Europe.

Chief Technology Officer, Martin Holtet

Martin Holtet joined Infront in 2008. As CTO he is responsible for the roadmap, development and technical operations of Infront's products and services. He has more than 20 years' experience from the software industry, having worked as a developer, product manager, project manager and development manager. Holtet holds a Bachelor degree in Computer Science from the University of Oslo and a Master of Management degree from BI Norwegian Business School.

Head of Sales, Joachim Rosli

Joachim Rosli has been with Infront since 2000. He has more than 20 years' experience from the financial service industry including business development, product management, project management, partner management and market data procurement.

BOARD OF DIRECTORS

Chairman of the Board, Gunnar Jacobsen

Gunnar Jacobsen (1977) became a board member of Infront in 2008 and Chairman in 2012. He is currently an investment director at Kistefos AS. He holds a Master of Science in Marketing and Management and a Master in Corporate Finance from the BI Norwegian School of Management. Prior to joining Kistefos in 2006, Jacobsen was the CEO of BlueCom.

Board member, Torun Reinhammar

Torun Reinhammar (1963) became member of the Board of Directors in 2017. She has more than 30 years of experience within the media sector and has been journalist, Editor in Chief, CEO and board member of AB Nyhetsbyrån Direkt. After having acted corporate governance and responsible investment specialist at the Swedish insurance and pensions company Folksam, she joined the global NGO CDP (former Carbon Disclosure Procect), where she currently holds a position as Senior Account Manager for Investor Engagement, working with investors in Europe. Reinhammar has a bachelor's degree in journalism and political science, from the University of Gothenburg, as well as a Diploma from the John Hopkins University, SAIS Europe Bologna.L.

Board member, Mark Ivin

Mark Ivin (1965) became a board member in 2017. He is currently CFO and acting CEO of Get AS, which was sold by private equity owners Goldman Sachs Capital Partners and the Quadrangle Group to TDC Group in 2014, and again to Telia Company in 2018. Ivin has held management positions at Hughes Space and Communications in Los Angeles, California, and in Oslo as senior manager at EY and partner at PwC, as well as senior management and board positions at Statkraft. He has a Bachelor of Science in Business Administration degree from the University of Denver, Colorado, and an MBA from Thunderbird School of Global Management, Phoenix, Arizona, and executive education from IMD, Zürich.

Board member, Beate Skjerven Nygårdshaug

Ms. Skjerven Nygårdshaug (1977) joined the board in 2017. She is currently Legal Director of OSM Aviation Group. She holds several board positions in listed and non-listed companies, including Axactor SE and has been Legal Director of Kistefos AS and Legal Counsel for TDC Song. She also has experience from law firms and as managing director of NEX. She holds an executive MBA from IMD Switzerland, a Master of Law from University of Oslo, a Master of International law from San Francisco as well as an IEL program from Harvard University.

Board member, Benjamin Røer

Benjamin Røer (1987) became a board member in 2016. He is currently investment manager at Kistefos AS. Prior to joining Kistefos, Røer worked as an equity analyst at Danske Bank Markets, covering consumer discretionary stocks. He holds an MSc in Applied Economics and Finance from Copenhagen Business School. He is also a CFA charterholder.

BOARD OF DIRECTORS REPORT

Throughout 2018, Infront maintained a firm focus on execution of its strategy to grow both organically and by M&A. The company delivered another year of revenue growth and returned excess cash to shareholders through its first dividend as a listed company. At year-end, Infront took a major step towards its ambition of becoming a top-3 provider of financial terminals in Europe with the acquisition of Market Connect in Italy. On 11 April 2019, Infront signed and announced the acquisition of vwd Group GmbH, further strengthening its market positon in Europe. These two transactions will significantly expand the European revenue base and market share and positions Infront for further growth.

Innovation and product development driven by customers' business needs continued at a high pace to strengthen Infront's solutions providing global real-time market data, trading, news and analytics to a growing number of financial professionals. Towards the end of the year, Infront successfully migrated a portion of its existing user base over to the Infront Professional Terminal, Infront's flagship product. The release of Infront Terminal 8.4 and 8.5 in October and December 2018 included a new macroeconomic data module and other enhancements making it an even more effective solution for finance professionals. The integration of Inquiry Financial Europe AB, SIX News and the migration of SIX Edge customers was completed during the year.

Infront experienced increased demand in all its markets and especially in the UK, South Africa and Finland. In November, Legae Peresec, a leading South African broker, chose Infront as its provider of web market data and trading solutions. The agreement confirms the potential for Infront in markets outside Europe.

On 20 December, Infront acquired Market Connect, renamed Infront Italia, which provides products and services to more than 20,000 finance professionals and more than 100,000 retail investors through its partners. The complementary operations include feed, web solution and terminal products. An initial EUR 8.5 million was paid in cash as of 31 December 2018, partly financed by a loan facility of NOK 60 million from Danske Bank. Infront Italia will be reflected in the group's consolidated income statement as of 01 January 2019, while the transaction was reflected in the consolidated statements of financial position and cash flow as of 31 December 2018.

Corporate overview

Organization

Infront offers electronic trading solutions and real-time market data, news and analytics covering over eighty exchanges worldwide. It has offices in Oslo, Stockholm, Copenhagen, Helsinki, London, Paris, Milan, Johannesburg and Cape Town. At the end of 2018, Infront had 133 full time employees, compared to 125 full time employees in 2017.

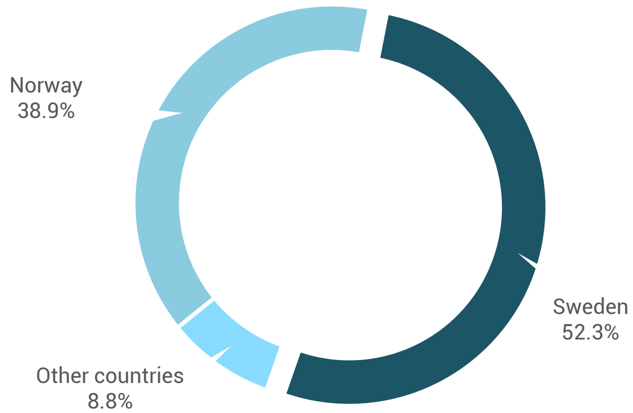
Operational review

The number of paying users increased by 5% to 17.9k at the end of 2018 (2017: 17.1k) driven by the completed 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 Market Connect acquisition is exclusive for the paying users measurement before 2019.

The Infront Web Technology solutions for SEB and Handelsbanken are not measured on a user level and are therefore not included in the user data. The number of professional terminal users rose 1% in 2018 and solutions users increased 6%, before inclusion of Infront Italia.

Revenue in the terminal subscription segment rose by 13% to NOK 183.1 million (2017: NOK 162.2 million), financial news segment decreased by 3% to NOK 57.9 million (2017: NOK 59.4 million). In the analytics and other services segment revenue increased by 10% to NOK 35.1 million (2017: NOK 32.0 million).

The consolidated revenue distribution per location of Infront's subsidiaries was as follows:



Product development

As a market leader within the financial terminal space, research and development ("R&D") is critical to sustain continued innovation. Infront invests substantial resources in R&D to enhance the applications and technical infrastructure, develop new features, conduct quality assurance testing and improve the core technology. The R&D team is primarily located in Oslo and it comprised of around 29 full time employees by year-end 2018. Product management, Sales and R&D are working in close cooperation to innovate and deliver continuous product improvements in a lean and efficient manner.

Overview of significant product developments and launches planned for 2019:

- A new estimates service for terminal users in the second quarter which will include a completely new way to consume and compare market expectations over time. The services will later be expanded with more data layers and analytics
- Infront Data will establish a broader and deeper international coverage to meet an increased client demand for high quality data and technology delivery solutions
- Infront's successful IR solutions will be launched to European listed companies and Investor Relations officers. The IR service is used by companies such as Daimler and Unilever, and close to 100 listed Nordic companies

Financial summary

Group profit and loss

Infront's operating revenue increased by 9% to NOK 276.0 million in 2018 (2017: NOK 253.6 million). Total Operating expenses rose by 4% to NOK 252.8 million (2017: NOK 242.8 million). Operating expenses, adjusted for transaction related costs of NOK 5.3 million (2017: NOK 17.0 million, adjustment for transaction and IPO-related costs), increased by 10% to NOK 247.5 million (2017: NOK 225.8 million). Infront reported an EBITDA of NOK 43.1 million (2017: NOK 37.9 million), an increase of 14% for the year. EBITDA adjusted for other income (of NOK 0.3 million) and M&A-related costs (of NOK 5.3 million) amounted to NOK 48.1 million, up from adjusted EBITDA of NOK 47.9 million in 2017, before IPO- and M&A- related costs and other income totalling NOK 10.0 million.

Profit before income taxes was NOK 21.7 million (2017: NOK 2.3 million). Tax expense was NOK 5.1 million (2017: tax income of NOK 1.4 million). Net profit for the period was NOK 16.5 million (2017: NOK 3.7 million). Earnings per share were NOK 0.63 (2017: NOK 0.36).

Group financial position

Total assets as at 31 December 2018 were NOK 393.6 million (2017: NOK 274.9 million) The increase reflected the increased tangible and intangible assets and trade and other receivables, due to the acquisition of Market Connect, combined with the cash effect from acquired remaining shares of Infront Data, dividend payments and SIX transaction-related payments. The combined book value of Intangible assets and Equipment and fixtures increased to NOK 188.0 million (2017: NOK 115.6 million). Trade and other receivables were NOK 99.3 million (2017: NOK 30.0 million). The increase mainly reflected the inclusion of Market Connect business in Infront Italia.

The cash position was NOK 87.0 million (2017: NOK 122.8 million). The decrease was related to payment of NOK 10.4 million in May, the acquisition of the remaining shares of Infront Data of NOK 5.8 million, the acquisition of Market Connect business of NOK 84.6 million and SIX transaction related payments.

Total non-current liabilities at the end of 2018 were NOK 82.1 million (2017: NOK 42.8 million). The increase was primarily due to combined the effect of an M&A transaction related loan facility of NOK 60.0 million entered into in December, the payment for the remaining stake in Infront Data in Q1 2018 and SIX transaction-related payments. Current liabilities at the end of 2018 were NOK 164.5 million (2017: NOK 94.3 million). The increase reflected the inclusion of acquired business of Market Connect.

Group cash flow

Net cash inflow from operating activities in 2018 amounted to NOK 36.7 million (2017: NOK 32.8 million). The cash flow reflected increased profit before tax and a reduction in taxes paid, partly offset by decreased trade- and other payables and depreciation.

Net cash flow from investing activities was negative at NOK 120.5 million in 2018 (2017: negative NOK 42.0 million). Investments in 2018 were related to payment for the acquisition of the remaining shares of Infront Data of NOK 5.9 million; payment for the acquired business of Market Connect of NOK 84.6 million and SIX transactions related payments. Investments in software development was stable at NOK 11.3 million in 2018 (2017: NOK 11.8 million).

Net cash inflow from financing activities was at NOK 49.5 million due to an M&A transaction-related loan facility of NOK 60.0 million obtained and dividends of NOK 10.4 million paid. Net cash flow from financing activities was at NOK 92.6 million in 2017 mainly due to the cash inflow from issuance of ordinary shares in the IPO.

The Company's equity ratio was at 37.4% at the end of 2018 (2017: 50.1%). The Company's two founders hold 33.1% of the shares in Infront ASA.

Infront ASA

Infront ASA (the parent company) is the operational entity responsible for the development, sales and maintenance of the Infront terminal and retail trading solutions products.

Infront ASA's operating revenue increased by 12% to NOK 188.6 million in 2018 (2017: NOK 168.5 million). The increase reflected a positive contribution from finalized migration of SIX Edge customers and a growth in number of paying terminal subscribers.

Total Operating expenses rose by 6% to NOK 185.7 million (2017: NOK 175.7 million) reflected costs in M&A process and higher activities. Operating expenses, adjusted for M&A-related costs of NOK 0.7 million, increased by 17% to NOK 185.0 million in 2018 (2017: 158.7 million).

Infront ASA reported a profit before tax of NOK 16.5 million (2017: NOK 3.0 million), an increase of NOK 13.5 million for the year. Profit before tax adjusted for M&A transaction related costs of NOK 0.7 million was 14.2 million (2017: 20.1 million).

Net cash flow from operating activities in 2018 was NOK 0.3 million (2017: negative NOK 14.7 million). Net cash flow from investing activities was at NOK 0.2 million in 2018 (2017: negative NOK 5.5 million). This reflected investment related to the acquisition of 22.78% of Inquiry Financial Europe AB and payments related to SIX transactions. Net cash flow from financing activities was negative at NOK 46.3 million (2017: NOK 97.7 million). The outflow mainly reflected dividend paid of NOK 10.4 million, loan issued to Infront Italia for the acquisition of Market Connect business and obtained loan facility of NOK 60 million for partly financing this acquisition. Infront ASA's cash position at the end of 2018 was NOK 40.9 million (2017: NOK 86.6 million). The equity ratio of Infront ASA was at 43.6% at the end of 2018 (2017: 53.5%).

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2019 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Corporate social responsibility

Creating a responsible and sustainable business is of high importance to Infront. The Company puts great emphasis on is its employees and the creation of a good working environment. Infront has an informal and relaxed work culture based on mutual trust, respect and cooperation, where contributions are recognized, and achievements are celebrated. Infront will prepare a separate statement on corporate social responsibility, which will be published on company's website.

Equal rights

Infront strongly condemns discrimination based on gender, and works continuously to ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith. The Company prides itself on being an international organization, where innovation and teamwork take place across borders and time zones. With English as working language, most positions at Infront do not require local language skills.

Infront continuously works to improve the gender balance in the company. At the end of 2018, Infront had employees from over 16 countries (2017: 20), and 19 % (2017: 18%) of the staff were women. For the Board of Directors, the distribution in 2018 was two women and three men.

Health and safety

Infront strives to create a safe, healthy and innovative work environment. Infront is fortunate to have a team of highly skilled employees, many of them from the group founding the company in 1998, which contribute to a work culture based on cooperation and companionship. Furthermore, the culture is defined by a strong focus on results and innovation. All employees are expected to comply with safety and health regulations that apply to the business activities. Infront emphasises the importance of a healthy work-life balance and supports home office facilities.

Infront has a low absence due to sick leave, with an average of 0.8% short-term leave and 0.1% long-term in 2018 (2017: 0.5% and 0.8% respectively) . In 2018, Infront had a global turnover of 5%, down from 11% in 2017 excluding acquisitions-related layoffs and 16% when including such layoffs. There were no reports of work-related accidents or injuries in 2018.

Environment

Infront is not aware of any negative impact of its operations on the environment.

Risk factors

Financial risk

Infront is mainly exposed to currency risk. Both revenue and operating expenses are subject to foreign exchange rate fluctuations, with SEK representing a significant part of revenues. Infront did not enter into contracts or any other agreements to reduce its currency risk, and thus its operational market risk, in 2018. For foreign currency sensitivity test and more details refer to Note 2 Financial risk.

Credit risk

The risk of losses on receivables is considered low. Refer to Note 2 Finanical risk for more details.

Liquidity risk

The Board of Directors considers Infront's liquidity to be very solid. Refer to Note 2 Finanical risk for more details.

Competition

Infront operates within a highly competitive sector with some of the largest financial technology firms in the world. Some of these have significantly larger financial resources and headcount. Still, Infront has expanded its business through smart innovations, by being adaptive to changing markets and by focusing on its core strengths: delivering great technology and customer-driven innovative solutions.

Data-center risk

Infront's services are dependent on the continuous operation of computers and telecommunication equipment, hosted in datacentres in Oslo, Stockholm, Milan and London. To mitigate the risk of Infront's services being unavailable, business critical services are live with automatic switchover. Databases and backups are replicated between the different locations, and the system has no single component that can take the service down for all customers. Infront is providing a premium real-time service and downtime may impact reputation negatively as well as increase the risk of investment losses for customers. The most realistic major scenario would be network routing problems at a regional line provider with the impact of temporarily limiting access to a set of customers. Infront is constantly developing methods to prevent incidents that may have a major impact for its customers. Infront has policies in place to make sure all new implementations are following a design pattern configured with failover solutions.

Dividend payment

Infront expects to create value for its shareholders by combining increased share value in a long-term perspective and distribution of dividends. Infront aims to give its shareholders a competitive return on invested capital relative to the underlying risks. The Board of Directors targets a long-term dividend ratio of 40-60% of the Group's consolidated net income. The target level will be subject to adjustments depending on possible other uses of funds as for instance M&A activity. The annual general meeting resolves the annual dividend, based on the proposal by the Board of Directors. The amount proposed sets an upper limit for the general meeting's resolution.

The Board proposes to refrain from paying a dividend to shareholders for 2018 due to a strengthening M&A pipeline and in order to increase the financial flexibility of the company. This compares to a dividend of NOK 0.40 per share paid for 2017.

Events after the reporting period

On 11 April 2019, Infront announced the company had entered into an agreement to acquire 100% of the shares in vwd Vereinigte Wirtschaftsdienste GmbH ("VWD") from a fund managed by The Carlyle Group (Carlyle) to create the leading European financial market solutions provider. The purchase price is EUR 130 million on an enterprise value basis. The transaction is proposed financed by a bond issue of EUR 105 million and an equity rights issue of approximately NOK 240 million (equivalent to approximately EUR 25 million), both fully underwritten.

VWD provides end-to-end technology and data solutions for the wealth management industry, combining data and feed solutions, publication and distribution systems, portfolio management- and regulatory technology services. The company has a leading market position in the German-speaking region, serving ~2 400 customers with ~50 000 professional users. VWD has approximately 400 employees and 2018 revenue was NOK 654 million, of which 98% was recurring revenue through a SaaS delivery model, and an adjusted EBITDA of NOK 105 million.

The Company will call for an extraordinary general meeting (EGM) to be held end of May 2019 to resolve the rights issue. The shareholders holding approximately 34% of the shares in the Company have undertaken to vote in favour of the rights issue at the EGM. Terms of the rights issue, including the subscription price and the number of shares to be issued, will be proposed by the Board of Directors and are expected to be announced the day before the EGM. For more details refer to Note 25 Subsequent events.

Future outlook

The Board of Directors believes that Infront has a sound fundament for a continued positive development in 2019 and beyond. Infront targets a top-3 position in the market for terminals to financial professionals in Europe. The company works 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 accretive acquisitions.

Ensuring a successful integration of Market Connect and migration of users will be a priority for Infront in 2019. The acquisition provides a platform for growth in both Italy and in surrounding markets. As of late March 2019, Infront had realized initial cost saving of NOK 5 million and identified further NOK 2-3 million of synergies on an annual basis from consolidating exchange and data contracts. Infront also targets cost reductions of NOK 5-10 million per year through operational improvements in Italy over the next 18 to 24 months.

The announcement of the acquisition of VWD is a game-changing move for Infront. VWD's and Infront's existing businesses and products complement one another well, and together with Market Connect, Infront is now positioned to provide its customers with complete services in real-time market information and portfolio management solutions. Further, significant synergies effects after the completion of the transactions are expected to materialize. The Board of Directors aims to secure a successful integration across the Group's businesses and products after the acquisitions, and is very pleased to witness that Infront's market integration and growth in Europe is progressing continuously. In addition to a successful M&A strategy, the Board of Directors also sees stable organic growth to further contribute to achieving Infront's vision.

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. The company will also continue to pursue M&A opportunities to further improve the products and service offering, and to expand the customer base.

Infront expects continued organic growth in the number of users of both terminals and the new retail solutions as the company implements new customer contracts. The offices in Europe and South Africa are experiencing positive momentum in their respective markets, and the company expects all regions to contribute to revenue growth in 2019.

Allocations of net income

The Board of Directors has proposed the net income of Infront ASA to be attributed to:

(NOK)	
Retained earnings	16 524 673
Net income allocated	16 524 673

Oslo, 12 April 2019

Gunnar Jacobsen
Chairman of the Board

Benjamin Jonathan Christoffer Røer
Member of the Board

Kristian Nesbak
CEO

Beate Skjerven Nygårdshaug
Member of the Board

Mark Ivin
Member of the Board

Torun Reinhammar
Member of the Board

STATEMENT BY THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The Board of Directors and the Chief Executive Officer have reviewed and approved the Board of Director's report and the financial statement for Infront as of 31 December 2018.

The consolidated financial statements and the financial statements for the parent company have been prepared in accordance with applicable reporting standards. To the best of our knowledge, we confirm that the information in the following financial statements provides a true and fair view of the Group and the parent company's assets, liabilities, financial position and profits as a whole as of 31 December 2018. It also provides a true and fair view of the financial performance and position of the Group and the parent company, as well as a description of the principal risks and uncertainties facing the Group and the parent company.

Oslo, 12 April 2019

Gunnar Jacobsen Chairman of the Board	**Benjamin Jonathan Christoffer Røer** Member of the Board
Kristian Nesbak CEO	**Beate Skjerven Nygårdshaug** Member of the Board
Mark Ivin Member of the Board	**Torun Reinhammar** Member of the Board

CORPORATE GOVERNANCE

1. Implementation and reporting on corporate governance

Infront ASA (the "Company") has made a strong commitment to ensure trust in the Company and to enhance shareholder value through efficient decision-making and improved communication between the management, the board of directors and the shareholders. The Company's framework for corporate governance is intended to decrease business risk, maximise value and utilise the Company's recourses in an efficient, sustainable manner, to the benefit of shareholders, employees and society at large.

The Company seeks to comply with the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on 17 October 2018, which is available at the Norwegian Corporate Governance Committee's website (www.nues.no). Application of the Corporate Governance Code is based on the "comply or explain" principle, which stipulates that any deviations from the code, should be explained.

The Company's corporate governance policy was last revised and adopted by the board of directors on 16 May 2017, including revised rules of procedure for the Board of Directors, instructions for the nomination committee, the audit committee and the remuneration committee, as well as insider manuals, manual on disclosure of information, investor relations policy and ethical guidelines. The company's corporate governance framework is subject to annual reviews and discussions by the board of directors.

The board of directors includes a report on the Company's corporate governance in its annual report, including an explanation of any deviations from the Corporate Governance Code. According to the Company's own evaluation, the Company deviates from the Corporate Governance Code on the following points:

Item 3: The board of directors of the Company has been provided with an authorisation to acquire own shares which include more than one purpose instead of having one authorisation for each specific purpose.

Item 6: Articles of association require shareholders to give notice to the Company of their participation at general meetings within five days prior to the general meeting, rather than allowing shareholders to give notice as close to the meeting as possible. The notice period is set in accordance with the Norwegian Public Limited Liability Companies Act (the "Public Companies Act") in order to facilitate proper and time and cost-efficient preparations of general meetings.

Item 7: Morten Lindeman, the Chief Innovation Officer of Infront is a member of the nomination committee. It is considered expedient and an advantage for the Company that Lindeman as a substantial shareholder with significant understanding of the Company's business and history is represented on the committee.

Item 14: Due to the unpredictable nature of a takeover situation, the Company has decided not to implement detailed guidelines on take-over situations.

2. Business

The Company offers electronic trading solutions and real-time market data, news and analytic covering over eighty exchanges world-wide. The Company has offices in Oslo. The Company's business is defined in the following manner in the Company's articles of association section 3:

"The company's business is: consultancy business and development of software for sale."

The board of directors has established objectives and strategies and risk profile for the business within the scope of the definition of its business, to create value for its shareholders. The Company's objectives and principal strategies are further described in the Company's annual reports and the Company's website (infrontfinance.com).

Infront's key values are: collaborative, innovative, reliable, quality conscious and dedicated. These values aim to characterize the behaviour of the Company and its employees and form the basis for the Company's ethical code of conduct. The ethical guidelines together with policies and manuals related to anti-corruption and bribery and data protection provide specific procedures and review mechanisms to ensure operations are conducted in accordance with applicable internal and external regulatory frameworks, and how these relate to value creation by the Company.

3. Equity and dividends

Equity

At 31 December 2018, the Company's consolidated equity was NOK 161.5 million, which was equivalent to 40.4% of total assets. The debt-to-equity ratio was 1.47. The board of Directors considers the current capital structure to be satisfactory in relation to the Company's objectives, strategy and risk profile.

Dividend policy

Infront expects to create value for its shareholders by combining increased share value in a long-term perspective and distribution of dividends. Infront aims to give its shareholders a competitive return on invested capital relative to the underlying risks. The Board of Directors targets a long-term dividend ratio of 40-60% of the Group's consolidated net income. The target level will be subject to adjustments depending on possible other uses of funds as for instance M&A activities. The annual general meeting (AGM) resolves the annual dividend, based on the proposal by the Board of Directors. The amount proposed sets an upper limit for the general meeting's resolution.

The Board proposes to refrain from paying a dividend to shareholders for 2018 due to a strengthening M&A pipeline and in order to increase the financial flexibility of the company. This compares to a dividend of NOK 0.40 per share paid for 2017.

Share capital increases and issuance of shares

At the general meeting held on 27 April 2018, the Board of Directors was granted one authorisation to increase the share capital of the Company by a maximum of up to NOK 259,978.50 related to business acquisitions. The authorisation is valid until the Company's AGM in 2019 and will expire on 30 June 2019.

Purchase of own shares

At the general meeting held on 27 April 2018, the Board of Directors was granted an authorisation to repurchase own shares for nominal value of up to NOK 259 978.50 with purposes of reduction of the share capital and business acquisitions. The maximum amount that can be paid for each share is NOK 100 and the minimum is NOK 1. The authorisation is valid until the Company's AGM meeting in 2019 and will expire on 30 June 2019.

4. Equal treatment of shareholders and transactions with close associates

Pre-emption rights to subscribe

According to the Norwegian Public Limited Liability Companies Act, the Company's shareholders have pre-emption rights in share offerings against cash contribution. Such pre-emption rights may; however, be set aside, either by the general meeting or by the board of directors if the general meeting has granted a board authorisation which allows for this. Any resolution to set aside pre-emption rights will be justified by the common interests of the Company and the shareholders, and such justification will be publicly disclosed through a stock exchange notice from the Company.

Trading in own shares

In the event of a future share buy-back programme, the board of directors will aim to ensure that all transactions pursuant to such programme will be carried out either through the trading system at Oslo Børs (Oslo Stock Exchange) or at prevailing prices at Oslo Børs. In the event of such programme, the board of directors will take the Company's and shareholders' interests into consideration and aim to maintain transparency and equal treatment of all shareholders. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders.

Transactions with close associates

The board of directors aims to ensure that any not immaterial future transactions between the Company and shareholders, a shareholder's parent company, members of the board of directors, executive personnel or close associates of any such parties are entered into on arm's length terms. For any such transactions which do not require approval by the general meeting pursuant to the Norwegian Public Limited Liability Companies Act, the board of directors will on a case-by-case basis assess whether a fairness opinion from an independent third party should be obtained. There were no transactions with close associates in 2018. For more details see Note 18 in the annual report.

5. Shares and negotiability

Infront has one class of shares. All shares carry equal rights in the Company, and the articles of association do not contain any provisions restricting the exercise of voting rights. The shares are freely transferable. There are no restrictions on transferability of shares pursuant to the articles of association.

6. General meetings

The board of directors will make its best efforts with respect to the timing and facilitation of general meetings to ensure that as many shareholders as possible may exercise their rights by participating in general meetings, thereby making the general meeting an effective forum for the views of shareholders and the board of directors.

Notification

The board of directors will seek to ensure that the resolutions and supporting information are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting. The notice and support information, as well as a proxy voting form, will normally be made available on the company's website www.infrontfinance.com no later than 21 days prior to the date of the general meeting.

Participation and execution

The Company's articles of association require shareholders to give notice to the Company of their participation at general meetings within five days prior to the general meeting. Pursuant to the articles of association only shareholders who have been registered in the Company's share register five working days prior to the general meeting are allowed to participate and vote at the general meetings of the Company.

The board of directors and the nomination committee shall, as a general rule, be present at general meetings. The auditor will attend the ordinary general meeting and any extraordinary general meetings to the extent required by the agenda items or other relevant circumstances. The board of directors will seek to ensure that an independent chairman is appointed if considered necessary based on the agenda items or other relevant circumstances.

The board of directors will seek to arrange for the general meeting to vote separately on each candidate nominated for election to the company's corporate bodies.

The Company will aim to prepare and facilitate the use of proxy forms which allows separate voting instructions to be given for each item on the agenda and nominate a person who will be available to vote on behalf of shareholders as their proxy. The board of directors may decide that shareholders may submit their votes in writing, including by use of electronic communication, in a period prior to the general meeting. The board of directors should seek to facilitate such advance voting.

In 2018, Infront held its AGM on 27 April.

7. Nomination committee

The nomination committee is governed by the articles of association section 7. The nomination committee shall consist of two or three members who shall be shareholders or shareholder representatives. The members shall be elected by the general meeting for a term of two years. The instructions for the nomination committee was adopted by the general meeting on 19 April 2017. The general meeting also determines the committees' remuneration.

The members of the nomination committee should be selected to take into account the interests of shareholders in general. The majority of the committee should be independent of the board of directors and the executive personnel. No more than one member of the nomination committee should be a member of the board of directors, and any such member should not offer himself for re-election to the board.

The nomination committee shall give its recommendation to the general meeting on election of and compensation to members of the board of directors, in addition to election of and compensation to members of the nomination committee. The proposals shall be justified. All shareholders are entitled to nominate candidates to the board of directors. The company should provide information on the membership of the committee and provide suitable arrangements for shareholders to submit proposals to the committee for candidates for election.

At 31 December 2018, the nomination committee consisted of the following three members: Morten Lindeman, Tom Olav Holberg and Svein-Erik Klemetsen. The members were elected by the general meeting with a term until the company's AGM in 2019.

All members are independent of the Board of Directors and executive management, except for Morten Lindeman who is Chief Innovation Officer and part of Infront's executive management. It is considered expedient and an advantage for the Company that Lindeman as a substantial shareholder with significant understanding of the Company's business and history is represented on the committee.

8. Board of directors: composition and independence

Pursuant to the articles of association section 5, the Company's board of directors shall consist of 3 to 7 members. At 31 December 2018, the Board of Directors consisted of the following five members: Gunnar Jacobsen, Torun Reinhammar, Mark Ivin, Beate Skjerven Nygårdshaug and Benjamin Røer. The chairman of the board has been elected by the general meeting. The members of the board of directors are elected for a term of two years at a time and may be re-elected.

All members of the board of directors are considered independent of the company's executive management and material business contacts. The board is also considered independent the company's main shareholders. The board does not include executive personnel.

The company's annual report and the website provides information to illustrate the expertise of the members of the Board of Directors.

Name	Role	Considered independent	Served since	Term expires	Participation Board Meetings 2018	Number of shares in Infront (direct/ indirect)
Gunnar Jacobsen	Chairman	Yes*	2008	2019	100%	43 478
Torun Reinhammar	Board member	Yes	2017	2019	100%	450
Mark Ivin	Board member	Yes	2017	2019	100%	10 869
Beate Skjerven Nygårdshaug	Board member	Yes	2017	2019	100%	4 347
Benjamin Røer	Board member	Yes*	2016	2019	100%	13 043

*) Both Gunnar Jacobsen and Benjamin Røer represent Kistefos AS, which until 24 May 2018 was a substantial shareholder in Infront ASA. Kistefos held no shares of Infront as at 31 December 2018.

9. The work of the board of directors

The rules of procedure for the board of directors

The board of directors is responsible for supervising the management of the Company's day-to-day business and Company's activities in general. The Norwegian Public Limited Liability Companies Act regulates the duties and procedures of the board of directors. In addition, the board of directors has adopted supplementary rules of procedures, which provides further regulation on inter alia the duties of the board of directors and the chief executive officer, the division of work between the board of directors and the chief executing officer, the annual plan for the board of directors, notices of board proceedings, administrative procedures, minutes, board committees, transactions between the Company and the shareholders and matters of confidentiality.

Guidelines for directors and executive management

The board of directors has adopted rules of procedures for the board of directors which inter alia includes guidelines for notification by members of the board of directors and executive management if they have any material direct or indirect interest in any transaction entered into by the Company.

The board shall produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The chief executive officer shall at least once a month, by attendance or in writing, inform the board of directors about the Company's activities, position and profit trend.

The board of directors' consideration of material matters in which the chairman of the board is, or has been, personally involved, shall be chaired by some other member of the board.

The board of directors shall evaluate its performance and expertise annually and make the evaluation available to the nomination committee.

The audit committee

The Company's audit committee is governed by the Norwegian Public Limited Liability Companies Act and a separate instruction adopted by the board of directors. The members of the audit committee are appointed by and among the members of the board of directors. A majority of the members shall be independent of the Company's operations, and at least one member who is independent of the Company shall have qualifications within accounting or auditing. Board members who are also members of the executive management cannot be members of the audit committee. At 31 December 2018, the audit committee consisted of the following three board members: Mark Ivin, Beate Skjerven Nygårdshaug and Benjamin Røer.

The principal tasks of the audit committee are to:

- prepare the board of directors' supervision of the Company's financial reporting process;
- monitor the systems for internal control and risk management;
- have continuous contact with the Company's auditor regarding the audit of the annual accounts; and
- review and monitor the independence of the Company's auditor, including in particular the extent to
- which services than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

The remuneration committee

The Company's remuneration committee is governed by a separate instruction adopted by the board of directors. The members of the remuneration committee are appointed by and among the members of the board of directors and shall be independent of the Company's executive management. At 31 December 2018, the remuneration committee consisted of the following three board members: Gunnar Jacobsen, Beate Skjerven Nygårdshaug and Mark Ivin.

The principal tasks of the remuneration committee are to prepare: the board of directors' declaration on determination of salaries and other remuneration for executive management in accordance with the Norwegian Public Limited Liability Companies Act section 6-16 a; and other matters relating to remuneration and other material employment issues in respect of the executive management.

10. Risk management and internal control

Risk management and internal control are given high priority by the board of directors ensuring that adequate systems for risk management and internal control are in place. The Company's risk management and internal control system of financial reporting are, as a main principle, based on the internationally recognized framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The control system consists of interdependent areas which include risk management, control environment, control activities, information and communication and monitoring.

The Company's management is responsible for establishing and maintaining sufficient internal control over financial reporting. Company specific policies, standards and accounting principles have been developed for the annual and quarterly financial reporting of the group. The Chief Executive Officer and Chief Financial Officer supervise and oversee the external reporting and the internal reporting processes. This includes assessing financial reporting risks and internal controls over financial reporting within the group.

The consolidated external financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards as adopted by the EU. The board of directors shall ensure that the Company has sound internal control and systems for risk management, including compliance to the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility. The Company's Code of Conduct describes the Company's ethical commitments and requirements related to business practice and personal conduct. If employees experience situations or matters that may be contrary to rules and regulations or the Company's Code of Conduct, they are urged to raise their concern with their immediate superior or another manager in the Company. The Company expects to establish a whistle-blowing function that will enable employees to alert the Company's governing bodies about possible breaches of the Code of Conduct.

The board of directors shall conduct an annual organisational risk review in order to identify real and potential risks and remedy any incidents that have occurred. The board of directors should analyse the most important areas of exposure to risk and its internal control arrangements and evaluate the Company's performance and expertise. The board of directors shall undertake a complete annual review of the risk situation, to be carried out together with the review of the annual accounts. The board of directors shall present an in-depth report of the Company's financial statement in the annual report. The Audit Committee shall assist the board of directors on an ongoing basis in monitoring the company's system for risk management and internal control. In connection with the quarterly financial statements, the Audit Committee shall present to the board of directors' reviews and information regarding the Company's current business performance and risks.

11. Remuneration of the board of directors

The remuneration of the board of directors is decided by the Company's general meeting based on a recommendation by the from the nomination committee. The remuneration shall reflect the board of directors' responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration is not be linked to the Company's performance and does not contain any share options. The nomination committee's recommendation should normally be published on the Company's website at least 21 days prior to the general meeting.

Members of the board of directors and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the board. If they do nonetheless take on such assignments this should be disclosed to the full board. The remuneration for such additional duties should be approved by the board of directors.

The annual report provides details of all elements of the remuneration and benefits of each member of the board of directors, which includes a specification of any remuneration in addition to normal fees to the members of the board. (See Note 6 Compensation to the board of directors and executive management for more details).

12. Remuneration of the executive personnel

The board of directors has in accordance with the Norwegian Public Limited Liability Companies Act prepared guidelines for salary and other remuneration to key management personnel, including convergence of the financial interests of the executive management and the shareholders. It should be clear which aspects of the guidelines that are advisory and which, if any, that are binding thereby enabling the general meeting to vote separately on each of these aspects of the guidelines. The guidelines are made available to the ordinary general meeting.

The board of directors aims to ensure that performance-related remuneration of the executive management in the form of share options, annual bonus programmes or the like, if used, are linked to value creation for shareholders or the Company's earnings performance over time. Performance-related remuneration should be subject to an absolute limit. Furthermore, the Company aims to ensure that such arrangements are based on quantifiable factors that the employee in question can influence.

13. Information and communications

General

The board of directors has adopted a separate manual on disclosure of information, which sets forth the Company's disclosure obligations and procedures. The board has also adopted a separate investor relations policy. A summary of the IR policy is available on the company web page.

The board of directors will seek to ensure that market participants receive correct, clear, relevant and up-to-date information in a timely manner, taking into account the requirement for equal treatment of all participants in the securities market. The Company will each year publish a financial calendar, providing an overview of the dates for major events such as its ordinary general meeting and publication of interim reports.

Interim reports are published on a quarterly basis, in line with Oslo Børs' recommendations. In connection with the quarterly reporting, presentations are given to provide an overview of the operational and financial developments, market outlook and the company's prospects. All information distributed to the company's shareholders is published in English on the company's web site at the same time as it is sent to Oslo Børs and www.newsweb.no.

14. Take-overs

In the event the Company becomes the subject of a takeover bid, the board of directors shall seek to ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The board of directors shall also ensure that the shareholders have sufficient information and time to assess the offer.

There are no defence mechanisms against takeover bids in the Company's articles of association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company. The board of directors has not established written guiding principles for how it will act in the event of a takeover bid, as such situations are normally characterized by concrete and one-off situations which make a guideline challenging to prepare.

In the event a takeover were to occur, the board of directors will consider the relevant recommendations in the Corporate Governance Code and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

15. Auditor

The company's external auditor is BDO AS.

The board of directors will require the Company's auditor to annually present to the audit committee a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement, as well as the main features of the plan for the audit of the Company.

Furthermore, the board of directors will require the auditor to participate in meetings of the board of directors that deal with the annual accounts. At least one board meeting with the auditor shall be held each year in which no member of the executive management is present.

The board of directors' audit committee shall review and monitor the independence of the Company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

The remuneration to the auditor for statutory audit will be approved by the ordinary general meeting. The board of directors should report to the general meeting on details of fees for audit work and any fees for other specific assignments.

CONSOLIDATED GROUP
ANNUAL ACCOUNTS REPORT 2018

Consolidated income statement

(NOK 1.000)	Note	2018	2017
Revenue	3	276 044	253 600
Total operating revenue		**276 044**	**253 600**
Cost of services rendered		87 725	77 384
Salary and personnel costs	5,6,7,21	103 699	94 592
Other operating expenses	4,10	41 792	50 743
Depreciation, amortization and net impairment losses	8,9	19 900	27 087
Other income	22	-310	-6 976
Total operating expenses		**252 807**	**242 829**
Operating profit		**23 237**	**10 770**
Financial income	11	7 736	3 716
Financial expenses	11	-9 307	-12 220
Financial income/(expenses) - net		**-1 571**	**-8 504**
Profit before income tax		**21 666**	**2 266**
Income tax expense	12	-5 141	1 412
Profit for the year		**16 525**	**3 679**
Minority interest		-	3
Profit is attributable to:			
Owners of Infront ASA		16 525	3 676
Earnings per share			
Basic and diluted earnings per share	13	0.64	0.36
Average number of shares (and options) outstanding at the end of year		25 997 856	10 109 287
Number of shares (and options) outstanding at end of year		25 997 856	25 997 856

Consolidated statement of comprehensive income

(NOK 1.000)	Note	2018	2017
Profit for the year		**16 525**	**3 679**
Other comprehensive income (net of tax):			
Exchange differences on translation of foreign operations		36	2 185
Total comprehensive income for the year		**16 561**	**5 864**
Total comprehensive income is attributable to:			
Owners of Infront ASA		**16 561**	**5 864**

Consolidated statement of financial position

(NOK 1.000)	Note	2018	2017
ASSETS			
Non-current assets			
Equipment and fixtures	9,19	3 168	2 515
Intangible assets	8,21	184 800	113 048
Deferred tax asset	12	5 718	5 822
Pension assets	21	398	434
Receivables	15	13 254	297
Total non-current assets		**207 338**	**122 115**
Current assets			
Trade and other receivables	15,16	99 321	29 991
Cash and cash equivalents	15,16,17	86 953	122 796
Total current assets		**186 274**	**152 787**
TOTAL ASSETS		**393 612**	**274 902**

(NOK 1.000)	Note	2018	2017
EQUITY AND LIABILITIES			
Equity			
Share capital	18	2 600	2 600
Share premium		105 284	105 284
Share option program	7	994	-
Other equity	18	38 139	27 171
Total equity attributable to owners of the parent		**147 017**	**135 055**
Non-controlling interests		-	2 681
Total equity		**147 017**	**137 735**
Non-current liabilities			
Borrowings	2,15,19	52 726	-
Derivative financial liabilities	15	-	8 022
Pension liabilities	21	2 425	510
Deferred tax liabilities	12	1 002	-
Other non-current financial liabilities	2,15,22	25 934	34 293
Total non-current liabilities		**82 087**	**42 825**
Current liabilities			
Borrowings	19	7 541	-
Trade and other payables	15,20	104 635	53 475
Other current financial liabilities	15,20	12 926	17 994
Deferred revenue	3,22	37 493	21 002
Current tax liabilities	12	1 914	1 870
Total current liabilities		**164 509**	**94 341**
Total liabilities		**246 597**	**137 167**
TOTAL EQUITY AND LIABILITIES		**393 614**	**274 902**

Oslo, 12 April 2019

Gunnar Jacobsen
Chairman of the Board

Benjamin Jonathan Christoffer Røer
Member of the Board

Kristian Nesbak
CEO

Beate Skjerven Nygårdshaug
Member of the Board

Mark Ivin
Member of the Board

Torun Reinhammar
Member of the Board

Consolidated statement of cash flows

(NOK 1.000)	Note	2018	2017
Cash flows from operating activities			
Profit before tax		21 666	2 266
Adjustments for			
Taxes paid, net of government grants	8,12	-1 870	-2 137
Depreciation, amortization and net impairment losses		19 900	27 087
Pension expense without cash effect		23	-104
Changes in conditional consideration		-	-2 516
Change in operating assets and liabilities, net of effects from purchase of controlled entities			
Change in trade receivable and other receivables	16	-7 245	-2 339
Change in provisions		-2 341	302
Change in deferred revenue	3,22	-199	3 553
Change in trade and other payables	20	6 792	6 720
Net cash inflow from operating activities		**36 726**	**32 832**
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	8, 22	-5 936	-8 822
Payment for SIX transactions		-17 414	-18 831
Payment for acquisition of Market Connect	8, 22	-84 561	-
Payment for property, plant and equipment	9	-1 333	-2 518
Payment for software development costs	8	-11 250	-11 824
Receipt of government grants		-	-
Cash flow from other investing activities		-	-
Net cash (outflow) from investing activities		**-120 493**	**-41 995**
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		-	99 730
Receipt of long-term debt	19	60 000	-1 744
Proceeds from borrowings	19	-68	108
Dividends paid		-10 399	-
Cost of equity issues		-	-5 486
Net cash inflow from financing activities		**49 533**	**92 608**
Net increase/(decrease) in cash and cash equivalents		**-34 235**	**83 445**
Cash and cash equivalents 01 January		122 796	37 569
Effects of exchange rate changes on cash and cash equivalents		-1 609	1 782
Cash and cash equivalents 31 December		**85 953**	**122 796**

Consolidated statement of changes in equity

(NOK 1.000)	Share Capital	Share premium	Share option program	Translation differences	Retained Earnings	Attributable to the owners of the parent	Minority interest	Total equity
Balance at 31 December 2016	217	7 861	-	-50	32 742	40 769	-	40 769
Profit/loss for the year	-	-	-	-	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	-	-	-	-	-	-
Sale/Purchase of own shares	-	-	-	-	-	-	-	-
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 combination	-	-	-	-	-	-	2 678	2 678
Balance at 31 December 2017	**2 600**	**105 284**	**-**	**2 135**	**25 038**	**135 054**	**2 681**	**137 735**
Profit/loss for the year	-	-	-	-	16 525	16 525	-	16 525
Currency translation differences	-	-	-	36	-	36	-	36
Acquisition of non-controlling interest	-	-	-	-3 158	-	-3 158	-2 681	-5 839
Put option to non-controlling interest	-	-	-	7 962	-	7 962	-	7 962
Share option program	-	-	994	-	-	994	-	994
Dividend	-	-	-	-10 399	-	-10 399	-	-10 399
Balance at 31 December 2018	**2 600**	**105 284**	**994**	**-3 424**	**41 563**	**147 017**	**-**	**147 017**

Note 1 Accounting principles

1.1 Corporate information

Infront ASA (the Company), 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 Company is listed on Oslo Stock Exchange and has the ticker "INFRNT".

The Group is a 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 global markets. In addition, the Group comprises of the leading financial news agencies in Sweden and Norway.

These consolidated financial statements have been approved for issuance by the Board of Directors on 12 April 2019 and is subject to approval by the Annual General Meeting on 10 May 2019.

1.2 Accounting policies and basis of preparation

Statement of compliance

The consolidated financial statements of Infront ASA are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), and additional disclosure requirements in the Norwegian Accounting Act as effective of 31 December 2018.

Basis of preparation

The consolidated financial statements of Infront ASA for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements consist of statement of comprehensive income, statement of financial position, cash flow statement, statements of changes in equity and disclosure.

All financial information in the financial statements are presented in Norwegian kroner (NOK), and has been rounded to the nearest thousand unless otherwise stated.

The financial statements are prepared on a going concern basis.

The financial statements have been prepared on a historical cost basis, except for fair value of contingent considerations in business combinations. The consolidated financial statements are presented in Norwegian kroner (NOK).

Basis for consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Intra-group balances and transactions, and any un realized income and expense arising from intra-group transactions, are eliminated.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet, respectively.

Business combinations

Business combinations are accounted for using the acquisition method (in accordance with IFRS 3 Business Combinations) at the acquisition date, which is the date on which control is transferred to the Group. Costs related to the acquisition that the Group incurs in connection with a business combination are expensed as incurred.

Foreign currency transactions and balance

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate on that date. Foreign exchange translation differences are recognized as part of financial items in profit or loss.

Foreign operations

The results and balance sheet items of subsidiaries that have a functional currency different from the Group's presentation currency (NOK) are translated to NOK as follows:

- Assets and liabilities, including goodwill and applicable consolidation adjustments, for each balance sheet presented, are translated at the closing rate on the date of that balance sheet
- Income and expenses for each income statement are translated at the average exchange rates for the year, calculated on the basis of four quarterly average rates

Foreign exchange translation differences arising from this translation are recognized in other comprehensive income, and presented as a separate component in equity. These translation differences are reclassified to the income statement upon disposal or liquidation of the related operations.

1.3 Summary of significant accounting principles

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

New standards, interpretations and amendments effective from 1 January 2018

New standards impacting the Group that has been adopted in the annual financial statements for the year ended 31 December 2018, and which have given rise to changes in the Group's accounting policies are:

- IFRS 9 Financial Instruments (IFRS 9)
- IFRS 15 Revenue from Contracts with Customers (IFRS 15)

IFRS 9 Financial Instruments

The Group has adopted IFRS 9 in its entirety as of 1 January 2018. The new rules have been applied retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 has not be restated. Management has performed an IFRS 9 implementation assessment related to the effect of IFRS 9 as at 1 January 2018.

Overall implementation effect

No implementation effects related to the IFRS 9 classification, impairment and hedge accounting rule changes have affected the 1 January 2018 opening balance.

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship (see below), the Group's accounting policy for each category is as follows:

Other financial liabilities

Other financial liabilities include the following items:

Bank borrowings are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

IFRS 15 Revenue from Contracts with Customers

The IASB has issued a new standard for revenue recognition, IFRS 15 *Revenue from Contracts with Customer*. The new standard has replaced IAS 18 *Revenue* and IAS 11 *Construction Contracts* as well as various interpretations previously issued by the IFRS Interpretation Committee.

IFRS 15 introduces a new five-step model that is applied for recognition of revenue from contracts with customers:

- Identify contracts with customers
- Identify the separate performance obligations
- Determine the transaction price of the contract
- Allocate the transaction price to each separate performance obligation
- Recognise the revenue as each performance obligation is satisfied

Infront ASA has applied the modified retrospective method for transition. This method requires the cumulative effect of initially applying IFRS 15 to be recognized in the opening balance (1 January 2018), with no restating of comparative periods.

Overall implementation effect

The new standard has not had any material effect for the Company's revenue recognition and the implementation has not required recognition of any cumulative effect as at 1 January 2018.

Revenue recognition

The core principle of IFRS 15 is that revenue is recognized to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

When the Group enters into an agreement with a customer, the goods and services promised in the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services either on their own or together with other resources that are readily available to the customer, and that the goods and services are separately identifiable from other promises in the contract. Goods and services that do not meet the criteria to be identified as separate performance obligations.

License to access software

The Group's main source of income is granting access to its proprietary software including market data, for maintaining the software and providing user support. The income is recognized on an accrual basis in accordance with the substance of the agreement with the customer. Both maintenance and providing user support are activities that are performed an indeterminate number of times over the period of contract. Such customer contracts contain one distinct performance obligation which is satisfied over the license period. Hence, subscription revenue from sales of access to software is recognized on a straight-line basis over the license period.

News services

Distribution of news is a subscription-based service. Such customer contracts contain one single performance obligation which is satisfied over the subscription period. Hence, revenue from sales of news services is recognized on a straight-line basis over the subscription period.

Consulting services

Consulting services mainly includes revenues related to the implementation of software projects. Furthermore, the Group may provide general market data and systems-related consulting services on an ad-hoc basis. Revenue from the provision of consulting services is recognized over time when or as the Group performs the related service during the agreed service period, by measuring progress towards complete satisfaction of the performance obligation.

Summary of significant accounting principles

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets. Goodwill is allocated to cash generating units (CGU) and not amortized, but tested for impairment at least annually.

Customer contracts

Customer contracts acquired as a part of a business combination are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line basis over their estimated useful lives. Useful life is estimated based on the timing of projected cash flows of the contracts.

Research and development

Expenditure on research is expensed as incurred. Expenditure on development activities is capitalized if the project is technically and commercially feasible, the Group has sufficient resources to complete development, and is able to measure reliably the expenditure attributable to the intangible asset during its development. The expenditure capitalized includes primarily direct labour attributable to preparing the asset for use. Capitalized development expenditure is stated at cost less accumulated amortization and impairment losses. Straight-line amortization is applied over the estimated useful life of the asset, from the date it is available for use. The carrying value of capitalized development is reduced by government grants when applicable.

Impairment

Cash generating unit

A cash generating unit (CGU) is the smallest identifiable Group of assets that generates cash flows that are largely independent of cash inflows from other assets or Groups of assets. In order to identify whether cash flows from an asset (or a Group of assets) are independent of cash flows from other assets (or Groups of assets), management assesses various factors, including how operations are monitored (note 3). Each CGU or Group of CGUs to which goodwill has been allocated represent the lowest level in the entity where goodwill is monitored for internal management purposes. The Group of CGUs are in all instances no larger than an operating segment as defined in IFRS 8 Operating Segments.

Non-financial assets

Carrying amounts of intangible assets and equipment and fixtures are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite useful life are tested for impairment annually or more frequent if impairment indicators are identified. An impairment loss is recognized if the carrying value of an asset or cash generating unit exceeds its recoverable amount.

The recoverable amount of an asset or a CGU is the highest of their estimated fair value less cost to sell and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest Group of assets that generate cash flows independently of other assets or CGUs. Subject to the operating segment limit, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed, reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill is allocated to Groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

Impairment loss recognition

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or Group of CGUs) and then, to reduce the carrying amount of the other nonfinancial assets in the CGU (or Group of CGUs) on a pro rata basis.

An impairment loss on goodwill is not reversed. An impairment loss on other assets is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Equipment and fixtures

Equipment and fixtures are stated at historical cost less accumulated depreciation and any impairment charges. Depreciations are calculated on a straight-line basis over the assets' expected useful life and adjusted for any impairment charges. Expected useful lives are reviewed annually and, where they differ significantly from previous estimates, depreciation periods are changed accordingly. Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit.

Equipment and fixtures are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The difference between the assets carrying amount and its recoverable amount is recognized in the income statement as impairment. Property, plant and equipment that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Classification of current and non-current items

An asset is classified as current when it is expected to be realized or sold, or to be used in the Group's normal operating cycle, or falls due or is expected to be realized within 12 months after the end of the reporting period. Other assets are classified as non-current. Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the Group or are expected to be settled within 12 months of the end of the reporting period, or if the Group does not have an unconditional right to postpone settlement for at least 12 months after the balance sheet date.

Taxes

The tax expense consists of the tax payable and changes to deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated on the basis of temporary differences between the carrying amount of assets and liabilities in the financial statement and their tax basis, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available, against which the assets can be utilized. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. The companies included in the consolidated financial statement are subject to income tax in the countries where they are domiciled.

Segments

The Group's executive management and Board of Directors examines the Group's performance on a total level and by entity and has identified three reportable segments of its business. The financial information relating to segments and geographical distribution is presented in note 3.

Employee benefits

Pension plans

Obligations for contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

Provisions

A provision is recognized when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

Restructuring provisions are recognized when the Group has approved a detailed, formal restructuring plan and the restructuring has either started or been publicly announced.

Contingent liabilities and assets

Contingent liabilities are not recognized in the annual accounts, except when part of the consideration of a business combination. Significant contingent liabilities are disclosed, except for contingent liabilities that are unlikely to be incurred.

Contingent assets are not recognized in the annual accounts but are disclosed if there is a certain probability that a benefit will be added to the Group.

Events after the reporting period

New information on the Groups financial position at the end of the reporting period, which became known after the reporting period, is recorded in the annual accounts. Events after the reporting period that do not affect the company's financial position at the end of the reporting period but which will affect the company's financial position in the future are disclosed if significant.

Leases

Financial leases

Leases where the Group assumes most of the risk and rewards of ownership are classified as financial leases. The Group currently does not have any such leases.

Operating leases

Leases in which most of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Government grants

Government grants are recognized when it is reasonably certain that the company will meet the conditions stipulated for the grants and that the grants will be received. Operating grants are recognized systematically during the grant period. Grants are deducted from the cost, which the grant is meant to cover. Investment grants are capitalized and recognized systematically over the asset's useful life. Investment grants are recognized either as deferred income or as a deduction of the asset's carrying amount.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash and bank deposits. Receipts and payments are presented separately for investing and financing activities, whilst operating activities include both cash and non-cash line items. Interest received and paid and dividends received are reported as part of operating activities. Dividends paid are presented as part of financing activities.

1.4 New standards and interpretations not yet adopted

No changes have been made to the framework conditions of IFRS in the current year, which have significantly affected the Group's financial statements. Below are the most important changes in accounting standards that will affect the Group in the future.

IFRS 16 Leasing

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

Adoption of IFRS 16 will result in the Group recognising right-of-use (ROU) assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

The Group has decided it will apply the modified retrospective adoption method in IFRS 16, and accordingly comparative information will not be restated. In addition, it is decided to measure right-of-use assets by reference to the measurement of the lease liability on transition date. This will ensure there is no immediate impact to net assets on that date.

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

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

The Group rents office premises and it can be expected that assets and liabilities will be recognized related to these at implementation, and that another profile for recognition and classification in the income statement will be used.

At 31 December 2018 the future minimum lease payments on operating lease commitments amounted to NOK 8.2 million (see note 4). Based on evaluation of its existing lease arrangements as at 1 January 2019, the Group expects to recognize a right-of-use asset of NOK 40.7 million and corresponding lease liability of NOK 33.3 million.

Instead of recognising an operating expense for its operating lease payments, the Group will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets. This will increase reported EBITDA by the amount of its current operating lease cost, which for the year ended 31 December 2018 was approximately NOK 10.1 million.

Other

A number of limited scope amendments and interpretations and another standard have been issued. These have been assessed to have no material impact on the Group. Management expects to implement these standards, amendments and interpretations on the aforementioned effective dates, assuming that these have then been adopted by the EU.

1.5 The use of estimates and assessment of accounting policies when preparing the annual accounts

Estimates and assumptions

Management has used estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities. This particularly applies to the amortization of intangible fixed assets, capitalized development, evaluation of goodwill and evaluations related to acquisitions. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Changes in accounting estimates are recognized during the period when the changes take place. If the changes also apply to future periods, the effect is divided among the present and future periods.

Judgements

Management has, when preparing the financial statements; made certain significant assessments based on critical judgment when it comes to application of the accounting principles.

Amortization of intangible assets

Development of the software the Group's main offering is based on is a continuous process. The customers expect an up to date service and the software is updated and/or changed regularly. The useful life of a development project is difficult to estimate and monitor. The estimated useful life for development projects is 3 years.

For customer contracts, an amortization period of 6 years is applied. The observable churn rate is low, almost negligible.

Capitalized development

The Group works continuously with improvements of technical platforms. This work involves both maintenance, research and development. These activities are integrated and it can be challenging to separate them in practice. Management have, to their best effort, assessed the projects and expenses that qualify for capitalization according to the criteria in IFRS and the remaining part is expensed.

Goodwill

Goodwill is not amortized but tested for impairment yearly. The impairment test is based on several estimates and assumptions for instance about future cash flows and discount rates.

Acquisitions

The acquisitions require the use of substantial judgement when assessing the fair value of the consideration transferred, identifying, and valuing intangible assets such as customer contracts.

Note 2. Financial risk factors

The Group's financial assets and liabilities comprise trade and other receivables, trade and other payables and short-term deposits (cash) necessary for and derived directly from its operations.

Risk management in the Group is carried out by the central finance department led by the CFO under policies approved by the board of directors. Potential risks are evaluated on a regular basis and the CFO determines appropriate strategies related to how these risks are to be handled within the Group under the approved policies.

The Group is mainly exposed to currency risk and credit risk.

Currency risk

The group is exposed to currency risks both for its transaction exposure and translation exposure. The foreign currency risk relates primarily to the Group's operating activities, when revenue and expenses is denominated in a foreign currency, and the Group's net investments in foreign subsidiaries.

The Group has historically not actively hedged its foreign exchange exposure.

Foreign currency sensitivity- Transaction exposure

Transaction exposure occurs when sales and purchases are made in various currencies which affect profit for the year. If the following currencies had strengthened/weakened by 5% and 10% against the NOK at 31 December 2018, it would have had the below effect on the group's profit:

	+5 %	
(in MNOK)	2018	2017
DKK	1.08	0.82
GBP	-0.12	-0.19
EUR	2.50	0.00
SEK	4.09	1.11
USD	-0.10	-0.09
ZAR	-0.07	-0.07

	+10 %	
(in MNOK)	2018	2017
DKK	2.16	1.64
GBP	-0.25	-0.37
EUR	5.00	0.01
SEK	8.17	2.21
USD	-0.20	-0.19
ZAR	-0.13	-0.15

Foreign currency sensitivity - Translation exposure

Translation exposure occurs when monetary items on balance sheet are denominated in different currencies. Since the Norwegian krone (NOK) is the Group's reporting currency, a translation risk related to the valuation of the consolidated net cash position occurs. The cash position which usually consist of the foreign subsidiaries' monetary items are translated to NOK at the rates applied at the balance sheet date. At 31 December, the Group's net cash in subsidiaries in local currencies amounted to NOK 42.4 million. The Group on the reporting date has tranlation exposure to the foreign currencies listed in the table above.

Interest rate risk

Interest rate changes have only a marginal direct effect on consolidated operating income and cash flows from operating activities. The Group's interest rate risk is related to floating interest rates on bank accounts and deposits, in addition to floating rate debt in credit institutions with an average margin of 2.3%. The Group has no fixed-rate deposits or debt and is therefore no exposed to fair value interest rate risk. The Group assesses its capital structure on an ongoing basis.

Credit risk

The Group is exposed to credit risk from its operating activities, primarily trade receivables.

Customer credit risk is managed by each business unit independently. The Group has established procedures for credit rating for new customers and the risk that customers do not have the financial means to meet their obligations is considered low. Outstanding customer receivables are monitored on a regular basis and any overdue receivables are followed up closely both internally and with the help of external debt collection agencies. Overall, the group has experienced very limited losses from trade receivables. In recent years, losses varied from NOK 200 - 500k per year. Provisions for losses are made based on actually incurred historical losses. For details refer to Note 15 Financial instruments and Note 16 Trade and other receivables.

Liquidity risk

The Group's objective is to maintain a balance between continuity of stable net cash inflow from operation due to high and recurring turnover, and flexibility through the use of bank overdrafts and bank loan facilities. The Group's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 17% of the Groups debt will mature in less than one year at 31 December 2018 (2017: 17%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

(NOK)

As of 31.12.2018 the Group's long-term liabilities consist* of:	Due within one year	Due between 1-5 years	Due beyond 5 years	Total
Bank debt secured by mortgage	7 500 000	40 000 000	12 500 000	60 000 000
Seller credits related to business combinations	8 293 635	27 188 631	-	35 482 266

As of 31.12.2017 the Group's long-term liabilities consist* of:	Due within one year	Due between 1-5 years	Due beyond 5 years	Total
Bank debt secured by mortgage	-	-	-	-
Seller credits related to business combinations	7 258 536	29 143 126	6 797 158	43 198 820

*More info refer to Note 19 Borrowings

Note 3. Segment information

The Group's executive management and Board of Directors examines the Group's performance on a total level and by entity and has identified three reportable segments of its business:

Norway	The Norwegian part of the business comprise the ownership to the intellectual property (IP) that the Group's main offering is based on, licensing of access to the IP, the news agency TDN Finans and CatalystOne - provider of cloud applications for Human Capital Management and related services.
Sweden	The Swedish part of the business comprise the Swedish reseller of licenses granting access to the group's main offering, the news agency Nyhetsbyrån Direkt and Infront Data - provider of financial information.
Other	Resellers in all other countries and the development and licensing of software by the French subsidiary Infront Analytics is included in other segments.

The Group operates both a software development and licensing business and news agencies in Norway and Sweden. There is a close link between these two areas and the businesses have similar economic characteristics. The licenses are often sold together, the news distribution being a part of the total offering to the customer, the customers, in general are often the same or at least operating in the same industry. As a consequence of this, these two areas are aggregated to form single reportable segments for each of the two geographical areas.

The product segment of Terminals and Solutions reflected revenues from Infront products and service sold by Infront offices in Norway and other countries. News segment represented sales in Nyhetsbyrån Direkt and TDN Finans. Analytics and Other segment reflected revenues from products and service sold by Infront Analytics SA, Infront Data and CatalystOne AS.

Earnings before interest, tax, depreciation and amortization (EBITDA) is regularly examined by the group's executive management and Board of Directors.

Disaggregation of revenues

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

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

Segment by country

(NOK1.000)					2018
	Norway	Sweden	Other	Eliminations	Consolidated
Revenue					
External customers	107 355	144 314	24 375	-	276 044
Inter-segment	94 408	27 549	8 634	-130 591	-
Total revenue	**201 763**	**171 863**	**33 009**	**-130 591**	**276 044**
EBITDA	**-32 498**	**86 545**	**-10 909**	**-**	**43 138**
Inter-segment	59 798	-68 432	8 634	-	-
Total assets	**177 538**	**43 909**	**172 166**	**-**	**393 612**
Inter-segment	150 278	71 627	24 285	-246 190	-
Total liabilities	**128 849**	**28 544**	**89 203**	**-**	**246 597**
Inter-segment	25 312	57 901	104 355	-187 568	-
Depreciation and amortization	17 993	1 772	136	-	19 900
Inter-segment	-5 277	-314	-	5 591	-
Capital expenditure	10 202	486	81 618	-	92 305

Segment by country

(NOK1.000)					2017
	Norway	Sweden	Other	Eliminations	Consolidated
Revenue					
External customers	106 776	129 356	17 467	-	253 600
Inter-segment	75 696	20 378	6 806	-102 880	-
Total revenue	**182 472**	**149 735**	**24 273**	**-102 880**	**253 600**
EBITDA	**-30 849**	**75 600**	**-6 893**	**-**	**37 858**
Inter-segment	47 238	-54 044	6 806	-	-
Total assets	**230 596**	**36 632**	**7 673**	**-**	**274 902**
Inter-segment	6 976	53 174	20 242	-80 393	-
Total liabilities	**92 165**	**33 593**	**11 409**	**-**	**137 167**
Inter-segment	-13 945	30 146	9 711	-25 912	-
Depreciation and amortization	25 408	1 581	98	-	27 087
Inter-segment	-13 035	-271	-	13 305	-
Capital expenditure	12 076	12 754	271	-	25 101

Product breakdown

(NOK1.000)					2018
	Terminals & Solutions	News	Analytics & Other	Eliminations	Consolidated
Revenue					
External customers	183 063	57 873	35 107	-	276 044
Inter-segment	90 174	27 561	12 856	-130 591	-
Total revenue	**273 237**	**85 434**	**47 963**	**-130 591**	**276 044**
EBITDA	**28 590**	**14 032**	**516**	**-**	**43 138**
Inter-segment	-33 715	21 712	12 003	-	-
Total assets	**197 566**	**27 359**	**168 688**	**-**	**393 612**
Inter-segment	189 680	26 157	30 353	-246 190	-
Total liabilities	**133 894**	**21 676**	**91 027**	**-**	**246 597**
Inter-segment	89 411	7 154	91 003	-187 568	-
Depreciation and amortization	18 049	465	1 386	-	19 900
Inter-segment	-5 085	-192	-314	5 591	-

Product breakdown

(NOK1.000)					2017
	Terminals & Solutions	News	Analytics & Other	Eliminations	Consolidated
Revenue					
External customers	162 215	59 399	31 986	-	253 600
Inter-segment	71 863	22 141	8 876	-102 880	-
Total revenue	**234 078**	**81 540**	**40 862**	**-102 880**	**253 600**
EBITDA	**16 864**	**14 815**	**6 178**	**-**	**37 858**
Inter-segment	-27 621	18 745	8 876	-	-
Total assets	**230 642**	**21 122**	**23 139**	**-**	**274 902**
Inter-segment	46 222	24 383	9 787	-80 393	-
Total liabilities	**97 800**	**18 467**	**20 900**	**-**	**137 167**
Inter-segment	26 271	7 662	-8 022	-25 912	-
Depreciation and amortization	25 364	582	1 141	-	27 087
Inter-segment	-12 843	-192	-271	13 305	-

Geographical information

Revenue from external customers in:

(NOK1.000)	2018	2017
Norway	107 355	106 776
Sweden	144 314	129 356
Other countries	24 375	17 467
Total revenue	**276 044**	**253 600**

Non-current operating assets:

(NOK1.000)	2018	2017
Norway	87 293	95 089
Sweden	10 480	11 766
Other countries	103 449	9 004
Total	**201 222**	**115 859**

Non-current operating assets does not include tax assets, pension assets or investments in subsidiaries.

Major customers

No single customer accounts for 10% or more of the Group's revenue.

Note 4. Rent and lease agreements

The Group has no finance leases.

Leasing costs related to cars and properties expensed in other operating expenses in 2018 was NOK 10.1 million (2017: NOK 11.3 million).

Annual minimum rent on non-cancellable operating lease agreements per 31 December is as follows:

(NOK1.000)	Nominal values 2018	Nominal values 2017
	Office rent	Office rent
Within one year	8 227	5 462
Between 1 and 5 years	-	2 276
Later than 5 years	-	-
Total	**8 227**	**7 738**

New standards and interpretations not yet adopted.

The Group has elected not to early-adopt any standards or interpretations that have an adoption date after the balance sheet date. The most relevant new standards issued by the IASB regarding rent and lease agreements is IFRS 16- Leases, which has mandatory effect from 01 January 2019.

The new IFRS 16 introduces a single leasee accounting model, when the new model is applied, a lessee is required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value, and to recognize depreciation of lease assets separately from interest on lease liablilities in the income statement. For the Group, this implies that current operating leases that satisfy the criteria will be recognized with assets and liabilities.

The Group holds leases related to premises (office rental agreements). As per year-end 2018, an implementation of the standard would entail presentation of an asset (right-of-use) amounting to NOK 40.7 million. The Group has utilized the practical expedient set out in IFRS 16 related to onerous leases. The liability related to leases amount to NOK 33.3 million, of which NOK 8.2 million is current debt and NOK 25.1 million is non-current debt.

The change will have a materially positive impact on EBITDA in consolidated income statement. The table below sets out the expected effects on 2019 with the Group's current leases.

(NOK1.000)

	IAS 17	IFRS 16
Other Operational costs	8 227	-
Depreciation	-	8 138
Finance costs	-	1 004

Changes in other standards are not expected to have a material effect on the Group's financial statements.

Note 5. Payroll

Number of employees during the year (Full-time equivalents) was 133 in 2018 and 125 in 2017.

Infront and the Norwegian subsidiaries are required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The companies' pension schemes meet the requirements of that law.

Salary and personnel costs

(NOK 1.000)

	2018	2017
Salaries	63 246	59 705
Payroll tax	19 157	17 920
Pension costs	4 920	4 459
Other benefits	16 376	12 507
Total	**103 699**	**94 592**
Average full-time employees	**133**	**125**

Note 6. Compensation to the Board of Directors and executive management

The Board of Directors	2018	2017
(NOK)		
Gunnar Jacobsen, chairman of the board	300 000	210 411
Benjamin Røer, board member	150 000	105 205
Beate Skjerven Nygårdshaug, board member	150 000	105 205
Mark Ivin, board member	150 000	105 205
Torun Reinhammar, board member	150 000	105 205
Total Board of Directors	**900 000**	**631 231**

2018	Salary	Pension contribution	Other benefits	Total
(NOK)				
Executive Management				
Kristian Nesbak, CEO	1 507 500	37 247	687 500	2 232 247
Morten Lindeman, CINO	1 206 000	37 247	300 000	1 543 247
Max Hofer, CFO	1 424 212	35 116	682 500	2 141 828
Total Executive Management	**4 137 712**	**109 610**	**1 670 000**	**5 917 322**

2017	Salary	Pension contribution	Other benefits	Total
(NOK)				
Executive Management				
Kristian Nesbak, CEO	1 242 131	38 962	-	1 281 093
Morten Lindeman, CTO	1 056 175	34 334	-	1 090 509
Max Hofer, CFO	1 363 542	34 334	650 000	2 047 876
Total Executive Management	**3 661 848**	**107 630**	**650 000**	**4 419 478**

A bonus scheme for executive management based on revenues and operating profits is in place.

No specific pension scheme is in place for executive management.

For share-based compensation schemes, refer to Note 7 Share Options.

No severance pay clauses in contracts of members of executive management team.

Note 7. Share options

On 14 May 2018, the Board resolved to issue share options to management of the Company. The resolution was made on the basis of the approval by the Annual General Meeting of 27 April 2018 to authorize the Board of Directors of Infront ASA to issue new shares to management under a long-term incentive program.

A total of 1 032 927 options for shares of the Company were distributed amongst the management. 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 day of grant (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 will be void.

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

Allotment of share options	Fair value	Strike price (NOK)	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 hold by insiders of Infront ASA:

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

Note 8. Intangible assets

(NOK1.000)	Capitalized development*	Customer contracts	Database	Goodwill	Total
2017					
Opening net book amount	18 292	59 354	-	38 516	116 161
Additions*	8 992	-	696	-	9 688
Acquisition of business (note 8,22)	-	1 043	4 587	4 694	10 323
Exchange differences	3	1 942	172	878	2 994
Impairment charge	-	6 867	-	-	6 867
Amortization charge**	12 040	6 255	957	-	19 252
Other changes	-934	934	-	-	-
Closing net book amount	**14 313**	**50 150**	**4 498**	**44 087**	**113 048**
2017					
Cost	65 705	64 216	5 486	44 087	179 495
Accumulated amortization and impairment	51 393	14 066	988	-	66 446
Net book amount	**14 313**	**50 150**	**4 498**	**44 087**	**113 048**
2018					
Opening net book amount	14 313	50 150	4 498	44 087	113 048
Additions*	10 780	-	648	-	11 429
Acquisition of business (note22)	-	-	-	-	-
Acquisition of business, allocation incomplete (note22)	-	-	-	-	81 182
Exchange differences	-1	-1 234	-154	-566	-1 955
Impairment charge	-	-	-	-	-
Amortization charge**	12 324	5 378	1 217	-	18 919
Other charges	16	-	-	-	16
Closing net book amount	**12 784**	**43 537**	**3 775**	**43 521**	**184 800**
2018					
Cost	76 361	62 827	5 997	43 521	188 705
Cost – allocation incomplete (note 22)	-	-	-	-	81 182
Accumulated amortization and impairment	63 577	19 290	2 222	-	85 088
Net book amount	**12 784**	**43 537**	**3 775**	**43 521**	**184 800**

*) Capitalized development is an internally generated intangible asset.

**) Amortization expenses are included in depreciation, amortization and net impairment losses in the consolidated income statement.

Estimated useful life, depreciation plan and residual value is as follows:

Useful life	3 years	6 years	10 years	Indefinite
Depreciation plan	Linear	Linear	Linear	
Residual value	-	-	-	-

Impairment tests for goodwill

A segment-level summary of the goodwill allocation is presented below:

	2018	2017
Norway	16 514	16 514
Sweden	18 615	19 181
Other*	8 392	8 392
Total	**43 521**	**44 087**

*The allocation of goodwill to other region is exclusive of the acquisition of Market Connect business took place on 20 December 2018.

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash-generating unit (CGU) is determined based on value-in-use calculations, which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management for 2019 and expected growth and margins, stated below, for a total period of 5 years. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The following table sets out the key assumptions used for the value-in-use calculations:

	Norway	Sweden	Other
Growth in revenue (annual growth rate)	2.0-5.0%	2.0-5.0%*	2.0-5.0%**
EBITDA margin	12.7-14.1%	11.4-24.3%	21.2-23.4%
Pre-tax discount rate	15.8%	15.1%	17.1%

*) 1% growth from 2018 to 2019 according to budget.

**) 7.5% growth from 2018 to 2019 according to budget.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Growth in revenue	Low, but realistic and decreasing revenue growth in the 5-year period.
EBITDA margin	EBITDA margins estimated based on 2019 budget and slightly improved over the 5-year period.
Pre-tax discount rate	Based on observable and usual rates, premiums and other factors.

No reasonably possible change in a key assumption on which management has based its determination of the recoverable amount would cause the carrying amount to exceed its recoverable amount.

Note 9. Equipment and fixtures

(NOK 1.000)	Furniture, fittings and equipment
31 December 2017	
Opening net book amount	1 387
Additions	2 518
Depreciation charge	1 128
Translation differences	-262
Closing net book amount	**2 515**
31 December 2017	
Cost	18 491
Accumulated depreciation	15 976
Net book amount	**2 515**
31 December 2018	
Opening net book amount	2 515
Additions	1 333
Depreciation charge	681
Translation differences	-
Closing net book amount	**3 167**
31 December 2018	
Cost	19 824
Accumulated depreciation	16 657
Net book amount	**3 167**

Estimated useful life, depreciation plan and residual value is as follows:

Economic life	3-8 years
Depreciation plan	Linear

Residual values

Residual values are taken into consideration in relation to depreciation.

Depreciation

Tangible fixed assets with a finite useful life are depreciated in a straight line over the useful life.

Note 10. Remuneration of the auditor

(NOK 1.000)	2018	2017
Audit fee	533	381
Other audit related services	157	122
Tax advisory	-	-
Other services	-	-
Total	**690**	**503**

Note 11. Financial income and expenses

(NOK 1.000)	2018	2017
Interest income	354	115
Exchange gains	6 793	2 981
Other financial income (include FX gains)	572	620
Interest expense	1 221	964
Exchange losses	7 397	4 956
Other financial expense (include FX losses)	689	6 300
Net financial items	**-1 589**	**-8 504**

Note 12. Taxes

(NOK 1.000)	2018	2017
Current tax	1 914	2 750
Deferred tax	3 227	-4 163
Income tax expense (income)	**5 141**	**-1 412**
Current tax on profits for the year	1 914	2 750
Adjustments for current tax of prior periods	-	-
Overpaid/ underpaid in previous years	-	-
Research and development tax refunds	-	-
Other	-	-
Current tax	**1 914**	**2 750**
Deferred tax due to changes in temporary differences	2 865	-4 311
Tax losses carried forward not previously recognized	-249	-
Effect of change in tax rate	127	148
Write-down/ reversal of write-down due to tax losses carried forward	-	-
Deferred tax	**2 743**	**-4 163**
Effective tax rate	**23.7%**	**-53.0%**
Income tax expense is attributable to:		
Profit from continuing operations	21 665	2 666
Profit from discontinued operation	-	-
Income tax expense (income)	**21 665**	**2 666**

Recognition of the effective tax rate with the Norwegian tax rate:		
Profit before tax	21 665	2 666
Expected tax expense using nominal tax rate of 23% (2019: 22%)	4 983	640
Write-downs of goodwill	-	-
Non-taxable income	-	-
Non-deductible expenses/income	894	-
Effect from different tax rate in other countries	-1 064	-251
Effect from change in tax rate	127	148
Tax loss carried forward not previously recognized	249	-127
Research and development tax refunds	-278	-
Other	231	-1 822
Income tax expense (income)	5 141	-1 412

Deferred tax relates to the following:		
Financial assets at fair value through profit or loss	5 733	-
Total deferred tax	5 733	-
Financial assets at fair value through profit or loss	525	-
Total deferred tax liabilities	525	-

Deferred tax balances	31/12/2018	31/12/2017
The balance comprises temporary differences are attributable to:		
Tax losses	8 451	10 433
Property, plant and equipment	12 607	15 564
Acconuts receivable	148	183
Unrecognised deferred tax assets	-2 014	-2 486
Total basis for deferred tax	19 193	23 694
Deferred tax assets	5 718	5 822
Deferred tax liabilities	1 002	-
Net deferred tax liabilities	4 716	5 822

Note 13. Earnings per share

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

(NOK)	2018	2017
Profit	16 524 673	3 678 541
Average number of shares outstanding	25 997 856	10 109 287
Average number of shares and options outstanding	25 997 856	10 109 287
Basic earnings per share (NOK/Share)	0.6356	0.3639
Diluted earnings per share*	0.6356	0.3639

	2018	2017
Average number of shares outstanding	25 997 856	10 109 287
Dilution effects	-	-
Warrants	-	-
Average number of shares outstanding adjusted for dilution effects	25 997 856	10 109 287

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

Note 14. Investments in subsidiaries

2017

Company	Date of acquisition	Consolidated (yes/no)	Registered office	Voting share	Ownership share
The Online Trader Sweden AB	14 March 2007	yes	Stockholm	100%	100%
Nyhetsbyrån Direkt AB	01 December 2008	yes	Stockholm	100%	100%
CatalystOne AS	30 October 2009	yes	Oslo	100%	100%
Infront Analytics SA*	04 June 2012	yes	Paris	100%	100%
Infront Financial Information Ltd	03 July 2015	yes	London	100%	100%
TDN Finans AS	22 April 2016	yes	Oslo	100%	100%
Infront SA (Pty) Ltd	05 October 2016	yes	Johannesburg	100%	100%
Infront Financial Europe AB	07 March 2017	yes	Stockholm	77%	77%
Infront Finland OY	28 September 2017	yes	Helsinki	100%	100%

*4 shares of 636 155 (0%) is owned by Executive Management in Norway.
*Infinancials SA changed name to Infront Analytics SA on 09 November 2017.

2018

Company	Date of acquisition	Consolidated (yes/no)	Registered office	Voting share	Ownership share
Infront Sweden AB*	14 March 2007	yes	Stockholm	100%	100%
Nyhetsbyrån Direkt AB	01 December 2008	yes	Stockholm	100%	100%
CatalystOne AS	30 October 2009	yes	Oslo	100%	100%
Infront Analytics SAS*	04 June 2012	yes	Paris	100%	100%
Infront Financial Information Ltd	03 July 2015	yes	London	100%	100%
TDN Finans AS	22 April 2016	yes	Oslo	100%	100%
Infront SA (Pty) Ltd	05 October 2016	yes	Johannesburg	100%	100%
Infront Data AB	07 March 2017	yes	Stockholm	100%	100%
Infront Finland Oy	28 September 2017	yes	Helsinki	100%	100%
Infront Italia SRL**	29 November 2018	yes**	Milan	100%	100%

* The Online Trader Sweden AB changed name to Infront Sweden AB on 04 October 2018.
** Refer to section Operational review, "Acquisition of Market Connect to strengthen European position".

Note 15. Financial instruments

Financial instruments by category 2018

Assets as per balance sheet	Loans and Receivables	Total
Available-for-sale financial assets	-	-
Derivative financial instruments	-	-
Trade and other receivables *	92 653	92 653
Cash and cash equivalents	86 953	86 953
Total	197 606	179 606

*Prepayments and accruals not included in trade and other receivables

Financial instruments by category 2017

Assets as per balance sheet	Loans and Receivables	Total
Trade and other receivables*	21 628	21 628
Cash and cash equivalents	122 796	122 796
Total	144 424	144 424

*Prepayments and accruals not included in trade and other receivables

Financial instruments by category 2018

Liabilities	Other Financial Liabilities	Fair value through profit or loss	Total
Borrowings	52 726	-	52 726
Other non-current financial liabilities **)	25 934	-	25 934
Trade and other payables *)	6 668	-	6 668
Other current financial liabilities **)	12 926	-	7 925
Total	98 253	-	93 252

*) Prepayments and accruals not included in trade and other payables.

**) Other financial liabilities comprise contingent consideration. See note 21 for further information.

Financial instruments by category 2017

Liabilities	Other Financial Liabilities	Fair value through profit or loss	Total
Borrowings	-	-	-
Other non-current financial liabilities **)	34 293	-	34 293
Trade and other payables *)	8 363	-	8 363
Derivative financial instruments	-	8 022	8 022
Other current financial liabilities **)	17 994	-	17 994
Total	60 650	8 022	68 671

*) Prepayments and accruals not included in trade and other payables.
**) Other financial liabilities comprise contingent consideration. See note 21 for further information.

Credit quality of financial assets

Cash and cash equivalents	31/12/2018	31/12/2017
A+ or better	86 953	122 796
BBB+	-	-

Overdue Trade Receivables

(NOK 1 000)	31/12/2018	31/12/2017
Overdue less than 1 month	2 443	3 008
Overdue 1-2 months	670	1 030
Overdue more than 2 months	858	291
Fair Value	3 971	4 330

The group expects that a portion of the receivables will be recovered and has recognized impairment losses of in 2018. The ageing of these receivables is as follows:

Recognized impairment losses

(NOK 1 000)	31/12/2018	31/12/2017
Overdue less than 1 month	-	-
Overdue 1-2 months	-	-
Overdue more than 2 months	492	327
Fair Value	492	327

Provisions for bad debt

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

(NOK 1 000)	31/12/2018	31/12/2017
Realized losses	23	781
Received on written-off receivables	-	-
Reversed provisions	-	-
Provisions for bad debts at 31.12	492	327
Period-end accounting losses on receivables	516	1 108

(NOK 1 000)	31/12/2018	31/12/2017
At January 1	358	357
Provision for bad debt/impairment recognized during the year	24	782
Receivables written off during the year as uncollectible	-23	-781
At December 31	359	358

During the year, the following gains/ (losses) were recognized in profit or loss in relation to impaired receivables.

(NOK 1 000)	31/12/2018	31/12/2017
Individually impaired receivables (loss)	23	781
Movement of provision for impairment (loss)	360	1
Reversal of previous impairment losses	-	-
Total gain/loss	383	782

Note 16. Trade and other receivables

Trade and other receivables	2018	2017
Trade receivables - net of related parties	89 318	19 165
Provision for bad debt	-505	-526
Trade Receivables net of provision	**88 813**	**18 639**
Prepayments and other receivables	10 508	11 352
Receivables related to related parties	-	-
Payables to Related Parties	-	-
Total trade receivables	**99 321**	**29 991**

2018: Includes Market Connect, MNOK 63 552

Of which long-term receivables to related parties	-	-
Short-term Receivables	**99 321**	**29 991**

Further information relating to loans to related parties and key management personnel is set out in note 6 and 22.

Specification of receivables

(NOK 1.000)	2018	2017
Trade receivables	88 813	18 639
Accrued income	2 124	2 904
Other receivables	3 399	2 966
Trade and other receivables	**94 337**	**24 508**
Prepaid costs	4 544	5 459
Prepaid public duty debt	441	23
Prepaid rent	-	-
Prepayments	**4 984**	**5 482**
Total	**99 321**	**29 991**

Due dates & Fair value of trade and other receivables

(NOK 1.000)	2018	2017
Due within one year*)	94 337	24 508
After one year **)	-	-
Fair Value	**94 337**	**24 508**

*) For receivables due within one year, fair value is equal to nominal value.
**) Receivables that due later than one year are discounted and stated as fair value.

Receivables specified by currencies

(NOK 1.000)	2018	2017
NOK	15 357	20 360
SEK	14 441	13 885
EUR*	7 028	630
GBP	39	30
ZAR	479	180
USD	-	-

* 2018: Includes acquisition of Market Connect, EUR

Note 17. Bank deposits

Cash and Cash Equivalents

(NOK)	2018	2017
Cash in bank	86 953	122 796
Total Cash and Cash Equivalents	**86 953**	**122 796**
Drawn overdraft	-	-
Total Cash and Cash Equivalents	**86 953**	**122 796**

Of which restricted Cash

NOK	2018	2017
Taxes withheld	1 906	1 679
Other restricted cash	-	-
Total Restricted Cash	**1 906**	**1 679**

Note 18. Share capital and shareholder information

The share capital in the company at 31 December 2018 consists of the following classes:

	Number of Shares	Nominal amount (NOK)	Book Value
Ordinary shares	25 997 856	0.10	2 599 785
Total	**25 997 856**	**0.10**	**2 599 785**

Infront ASA has only one class of shares and all shares have the same voting rights. The holders of shares are entitled to receive dividends as and when declared, and are entitled to one vote per share at general meetings of the company.

Ownership structure

Largest shareholders as of 31 December 2018:

Name	Number of shares	% of shares
LINDEMAN AS	4 366 667	16 .8%
NESBAK AS	4 233 334	16 .3%
JPMorgan Chase Bank, N.A., London	1 861 622	7 .2%
JPMorgan Chase Bank, N.A.,London	1 370 000	5 .3%
HSBC TTE MARLB EUROPEAN TRUST	1 219 149	4 .7%
Euroclear Bank S.A./N.V.	1 219 006	4 .7%
State Street Bank and Trust Comp	1 129 808	4 .3%
HANDELSBANK NORDISKA SMABOLAGSFOND	1 020 000	3 .9%
Nordnet Bank AB	871 226	3 .4%
Goldman Sachs International	791 834	3 .0%
VASSBOTN	650 010	2 .5%
Skandinaviska Enskilda Banken S.A.	646 499	2 .5%
Citibank, N.A..	579 134	2 .2%
Ram One	536 500	2 .1%
Skandinaviska Enskilda Banken S.A.	530 006	2 .0%
Danske Bank A/S	489 411	1 .9%
Skandivaiska Enskilda Banken AB	399 234	1 .5%
MP PENSJON PK	300 000	1 .2%
CLEARSTREAM BANKING S.A.	291 500	1 .1%
Remaining shareholders	3 492 916	13 .4%
Total number of shares	**25 997 856**	**100%**

Shares directly or indirectly held by members of the Board of Directors, Chief Executive Officer and Executive Management:

Name	Title	Number of Shares
Kristian Nesbak	Executive Management, CEO	4 233 334
Morten Alexander Lindeman	Executive Management, CINO	4 366 667
Max Martin Hofer	Executive Management, CFO	100 000
Gunnar Jacobsen	Chairman, Board of Directors	43 478
Benjamin Røer	Member, Board of Directors	13 043
Mark Ivin	Member, Board of Directors	10 869
Beate Skjerven Nygårdshaug	Member, Board of Directors	4 347
Torun Reinhammar	Member, Board of Directors	450

Note 19. Borrowings and securities/pledges

Danske Bank A/S has provided a bank overdraft facility with a limit of NOK 8 000 000 at 28 February 2017. The bank has security in equipment, fixtures and trade receivables of the group with registered security of NOK 60 000 000. The interest rate on the bank overdraft facility at 31 December 2018 was NIBOR plus 1.85%.

The Group obtained a loan facility of NOK 60 000 000 from Danske Bank, Norway (FOBA) on 14 December 2018 to partly finance M&A transactions. The Term Loan will be repaid in quarterly instalments in amounts equal to 1/24 of the Term Loan Commitment, commencing on 30 June 2019. Danske Bank also provided the Group a free loan facility of NOK 50 000 000 which is not utilized as of 31.12.2018.

Net debt	2018	2017
(NOK 1.000)		
Cash and cash equivalents	86 953	122 796
Borrowings – repayable within one year (including overdraft)	7 541	-
Borrowings – repayable after one year	52 726	-
Net debt	**26 686**	**122 796**

Note 20. Trade and other payables

(NOK 1.000)	2018	2017
Trade payables	11 665	10 651
Public duties	10 077	7 095
Accrued vacation pay	9 760	8 935
Accrued expenses	7 721	17 923
Purchase price payable, business combinations (note 22)	-	-
Other current payables	65 413	8 871
Total Trade and other payables	**104 635**	**53 475**

Payables specified by currencies	2018	2017
NOK	28 815	36 384
SEK	18 247	13 666
EUR*	28 815	297
GBP	27	17
ZAR	687	473
USD	-	-

*) 2018: Includes acquisition of Market Connect

Note 21. Pensions

The Norwegian companies in the Group are subject to the requirements of the Mandatory Company Pensions Act, and the company's pension scheme follows the requirements of the act.

The employees of the Group are covered by different pension schemes that vary from country to country and between the different companies. All the plans are assessed to be defined contribution plans. The period's contributions are recognized in the income statement as salary and personnel costs.

The Swedish company Nyhetsbyrån Direkt have, in addition to other schemes, "Direktpension"-scheme covering some of its employees. The scheme is an agreement between the company and the covered employees that the company will pay the pension based on the available pension funds. The pension funds, recognized on the statement of financial position, is pledged in favour of the employees. Both the pension funds and the liability that includes payroll tax are recognized on the statement of financial position.

	2018	2017
(NOK 1.000)		
Pension funds (Direkt pension)	398	434
Pension liability (Direkt pension)	2 425	510

Pension expenses	2018	2017
Expenses for defined contribution plans	4 920	4 459
Settlement of defined benefit plan	-	-
Total	**4 920**	**4 459**

Note 22. Business combination

The Infront group effected one acquisition in 2018 and one in 2017. Details of these transactions are set out below.

Acquisition of Market Connect, a Financial Market Information business, from Mediobanca S.p.A.

On 20 December 2018, the Infront group completed the acquisition of Market Connect, a leading financial market information business in Italy. The transaction was structured as an asset deal where Infront acquired contracts, assets and liabilities connected to the Market Connect business. The acquisition will expand Infront's European market share, by joining forces with the leading mid-tier provider of financial market information in the Italian market.

The total purchase price is estimated to be MNOK 69.6. The transaction consideration was paid in cash.

	(NOK 1.000)
Cash paid and payable as of 31.12.2018	89 222
Transaction recognized separately from the acquisition	-19 608
Total purchase consideration	69 614

According to the SPA the sellers are to bear capital expenditures up to a maximum amount and incremental costs up to a maximum amount incurred by the acquired business related to the migration from the previous owners. The arrangement is not considered a part of the business combination transaction. The amount shall be paid to the acquirer and the amounts will be settled after 28 February 2019, 31 December 2019 and 31 December 2020. The fair value of the amount is estimated to MNOK 19.6 and is recognized on the balance sheet as a receivable.

The assets and liabilities recognized as a result of the acquisition are as follows:

	Fair value (NOK 1.000)
Assets	
Trade receivables	49 973
Other receivables	6 974
Equipment and fixtures	395
Preliminary fair value of identified intangible assets	48 990
Total	106 332
Liabilities	
Current liabilities	66 989
Post-employment benefits	1 922
Total	68 911
Net identifiable assets and liabilities at fair value	37 421
Preliminary estimated goodwill	32 193
Purchase consideration transferred	**69 614**

The initial accounting for the business combination is incomplete. The transaction was closed late in the year and not all necessary analysis were completed before the financial statement was issued. Intangible assets, amortisation of those intangible assets, current liabilities and goodwill can be adjusted during the measurement period. The transaction was reflected in consolidated Balance Sheet and the transaction effects on payables and receivables were adjusted in the consolidated Cash Flow.

The fair value of the acquired trade receivables is MNOK 50.0. The gross contractual amount for trade receivables due is MNOK 50.4, of which MNOK 0.4 is expected to be uncollectible.

Based on the preliminary analysis the goodwill is attributable to the workforce of the acquired business and expected synergies with the existing business of the group. These intangible assets do not fulfil the recognition criteria under IAS 38 and are not recognized separately.

The allocation of the goodwill acquired in the business combination to cash generating units is not completed. The goodwill is deductible for tax purposes.

The acquired unit has from the date of acquisition contributed to the group's revenues and profit before taxes by TNOK 0 and TNOK -4 666 respectively.

If the acquisition had occurred at the beginning of 2018, revenues for 2018 and profit before taxes for 2018 for the group would have been TNOK 368 073 and TNOK 20 249 respectively. These amounts have been calculated using carved out financial statements for the acquired business.

The available financial statements follows a financial year that ends 30 June. The 2018 result is calculated as 50 % of the 2017/18-result and 50 % of the 2018/19-budget.

The calculated results of the acquired business for 2018 is adjusted for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets as applied from 1 January 2018.

Acquisition cost recognized in the income statement for 2018 was TNOK 4 598. The acquisition costs are included in the other operating expenses line item in the income statement.

Acquisition of Inquiry Financial Europe AB

On 7 March 2017, Infront ASA acquired 77.22 % of the voting shares in Inquire Financial Europe AB for MNOK 8.9. The acquisition of 77.22 % of the shares was financed in cash. Inquiry Financial AB has built up a broad coverage of fundamental data for approximately 2 200 companies and consensus for 1 200 companies in Europe. The coverage from Inquiry Financial AB complements Infront's high quality consensus and estimate service, SME Direkt. The combination enables Infront to have the leading offer to 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 part of the 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 recognized at the present value of the expected exercise price. The present value of the financial liability was estimated at MNOK 8.0.

During the first quarter of 2018 the remaining shares in Infront Data AB (Inquiry Financial Europe AB) was acquired. As a consequence of this the option agreement referred to above lapsed. The financial liability was derecognized and the change is recognized within equity.

The assets and liabilities recognized as a result of the acquisition are as follows:

	Fair value (NOK 1.000)
Assets	
Cash	165
Trade and other receivables	1 705
Database	4 587
Customer contracts	1 042
Deferred tax asset	2 116
Total	**9 615**
Liabilities	
Trade and other payables	-
Deferred tax liability	710
Pension liabilities	2 057
Total	**2 767**
Net identifiable assets and liabilities at fair value	6 848
Goodwill	4 693
Total equity value	11 541
Fair value of non-controlling interest	-2 629
Purchase consideration transferred	**8 912**

The goodwill is attributable to the workforce and expected synergies with the existing business of the group. These intangible assets do not fulfil the recognition criteria under IAS 38 and are not recognized separately.

Goodwill is allocated to the cash generating unit Sweden and is not deductible for tax purposes.

The acquired unit has from the date of acquisition contributed to the group's revenues and profit before taxes by TNOK 4 446 and TNOK -439 respectively in 2018 and TNOK 4 059 and TNOK -632 respectively in 2017.

If the acquisition had occurred at the beginning of 2017, revenues for 2017 and profit before taxes for 2017 for the group would have been TNOK 254 462 and TNOK 16 039 respectively. These amounts have been calculated using the subsidiary's result for 2017 and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets as applied from 1 January 2017.

Acquisition cost recognized in the income statement for 2017 was TNOK 389.

Cash flow

In 2018 payment for acquisition of subsidiary, net of cash acquired in the statement of cash flows consists of the acquisition of Market Connect with TNOK 84 561 and the remaining shares of 22% of Infront Data AB of TNOK 5 839.

In 2017 payment for acquisition of subsidiary, net of cash acquired in the statement of cash flows consists of the acquisition of Infront Data AB with TNOK 8 822.

Note 23. Related parties

Balances and transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated on consolidation and are not disclosed in this Note. The Group does not have other transactions with related parties, except for remuneration to management (Note 6).

31.12.2018		Sales to related parties	Purchases from related parties
Infront ASA	Norway	89 565	33 638
TDN Finans AS	Norway	4 843	973
Infront Sweden AB	Sweden	609	90 251
Nyhetsbyrån Direkt AB	Sweden	22 717	4 876
Infront Data AB	Sweden	4 222	853
Infront Analytics SAS	France	8 634	-
Total		**130 591**	**130 591**

31.12.2017		Sales to related parties	Purchases from related parties
Infront ASA	Norway	71 323	27 487
TDN Finans AS	Norway	4 373	970
The Online Trader Sweden AB	Sweden	540	71 996
Nyhetsbyrån Direkt AB	Sweden	17 768	2 426
Infront Data AB	Sweden	2 070	-
Infront Analytics SAS	France	6 806	-
Total		**102 880**	**102 880**

Note 24. Contingencies and legal claims

The Group has not been involved in any legal or financial disputes in 2018, where an adverse outcome is considered more likely than remote.

Note 25. Subsequent events

New acquisition

11 April 2019, the Company entered into an agreement to acquire 100% of the shares in vwd Group GmbH ("VWD") from a fund managed by The Carlyle Group (Carlyle) to create the leading European financial market solutions provider. The purchase price is EUR 130 million on an enterprise value basis. The transaction is proposed financed by a bond issue of EUR 105 million and an equity rights issue of approximately NOK 240 million (equivalent to approximately EUR 25 million), both fully underwritten. VWD has approximately 400 employees and 2018 revenue was NOK 654 million, of which 98% was recurring revenue through a SaaS delivery model, and an adjusted EBITDA of NOK 105 million.

The combined business will be a leading full-service provider of real-time market information and portfolio management solutions to financial professionals in Europe with ~3 600 diversified customers and ~90 000 professional users. Annual 2018 revenue for the combined company exceeded NOK 1 055 million and adjusted EBITDA was NOK 195 million, including estimated near-term synergies of NOK 25 million. The Company has estimated initial cost savings, after the completion of transaction, of NOK 25 million from consolidating data feeds and licenses to be realized through the first 12 months and with further cost savings expected over time from operational efficiencies and scaling effects.

Financing of the acquisition

Infront proposes to finance the acquisition of VWD through a combination of new equity and a new senior secured bond issue. The purchase price shall be paid in cash upon completion of the transaction.

The new equity is proposed be raised through a fully underwritten rights issue of approximately NOK 240 million (equivalent to approximately EUR 25 million).

The rights issue is fully underwritten by a syndicate consisting of ABG Sundal Collier ASA and Danske Bank, Norwegian Branch, and the Company's two largest shareholders Lindeman AS (owned by co-founder and CIO, Morten Lindeman), Nesbak AS (owned by co-founder and CEO, Kristian Nesbak) as well as FLKX Capital AS (owned by the Company's CFO, Max Hofer), Gujac Holding AS (owned by the Chairman of the Board, Gunnar Jacobsen), and Benjamin Røer (member of the Board of Directors). Other shareholders will be invited to participate in the underwriting syndicate and submit pre-commitments in the rights issue until 26 April.

The Company will call for an extraordinary general meeting ("EGM") to be held end of May 2019 to resolve the rights issue. The shareholders mentioned above holding approximately 34% of the shares in the Company have undertaken to vote in favor of the rights issue at the EGM. Terms of the rights issue, including the subscription price and the number of shares to be issued, will be proposed by the Board of Directors and are expected to be announced the day before the EGM.

The full terms of the rights issue will be included in a prospectus that shall be approved by the Financial Supervisory Authority of Norway (the "FSA"). The prospectus will be published prior to the subscription period and will form the basis for the subscription in the rights issue. Subject to timely prospectus approval, the subscription period will start shortly after the EGM.

The senior secured bond issue of EUR 105m is fully underwritten by a syndicate consisting of ABG Sundal Collier ASA and Danske Bank, Norwegian Branch. The bond will have a bullet repayment, a tenor of four years and a floating interest rate.

Conditions and timetable

Subject to regulatory clearance, the parties expect to complete the transaction in the second quarter of 2019.

The Company will prepare and publish a prospectus for the rights issue, which will be subject to approval by the Norwegian Financial Supervisory Authority prior to publication.

PARENT COMPANY
ANNUAL ACCOUNTS REPORT 2018

Statement of income

(NOK)	Note	2018	2017
Operating income and expenses			
Revenue	1	188 627 107	168 501 969
Total operating revenue		**188 627 107**	**168 501 969**
Raw materials and consumables used		111 596 860	95 514 957
Payroll expenses	2	35 419 391	27 909 542
Depreciation	3, 4	17 583 495	17 135 816
Other operating expenses	2, 12	21 065 256	35 125 643
Total operating expenses		**185 665 002**	**175 685 958**
Operating profit		**2 962 105**	**-7 183 989**
Financial income and expenses			
Income from subsidiaries and other Group entities	8	16 537 916	14 177 157
Interest income from Group entities		906 344	168 456
Other interest income		348 924	35 849
Other financial income		5 170 809	3 007 055
Interest expense to Group entities		930 496	121 555
Other Interest expenses		1 200 945	935 780
Other financial expenses		7 265 848	6 097 533
Financial income/(expenses) - net	9	**13 566 704**	**10 233 649**
Profit before tax		**16 528 809**	**3 049 660**
Tax on ordinary result	5	788 675	-3 089 254
Profit for the year		**15 740 134**	**6 138 914**
Allocated to dividend		-	10 339 142
Allocated to other equity		15 740 134	-
Transferred from other equity		-	4 200 228
Net brought forward	6	**-15 740 134**	**-6 138 914**

Balance sheet

(NOK)	Note	2018	2017
ASSETS			
Fixed assets			
Intangible assets			
Research and development	4	12 784 187	15 676 038
Customer contracts	4	37 504 430	42 420 130
Deferred tax asset	5	2 617 642	3 406 317
Total intangible assets		**52 906 259**	**61 502 485**
Tangible fixed assets			
Buildings and land	3	876 669	-
Equipment and other movables	3	529 299	768 209
Total tangible fixed assets		**1 405 968**	**768 209**
Financial assets			
Investments in subsidiaries	8	68 217 250	62 281 385
Loan to group companies		74 612 250	-
Investments in shares		-	5 000
Sum financial assets		**142 829 500**	**62 286 385**
Total fixed assets		**197 141 727**	**124 557 079**
Current assets			
Receivables			
Accounts receivables	8,11	10 760 193	29 838 658
Other receivables	8	96 531 023	30 651 911
Total debtors		**107 291 216**	**60 490 569**
Cash and bank deposits	10	**40 863 566**	**86 646 586**
Total current assets		**148 154 782**	**147 137 155**
TOTAL ASSETS		**345 296 509**	**271 694 234**

EQUITY AND LIABILITIES		2018	2017
Equity			
Share capital	7	2 599 785	2 599 785
Share premium reserve		100 158 003	100 158 003
Other paid-in equity		993 840	-
Total restricted equity	6	**103 751 628**	**102 757 788**
Retained earnings			
Other equity		58 376 142	42 696 008
Total retained earnings		**58 376 142**	**42 696 008**
Total equity	6	**162 127 770**	**145 453 796**
Liabilities			
Other non-current liabilities			
Liabilities to financial institutions	11	52 725 556	-
Other non-current liabilities	8,11	39 853 169	54 599 026
Total of other long term liabilities		92 578 725	54 599 026
Current liabilities			
Trade creditors	8	14 011 196	12 414 359
Public duties payable		3 499 418	3 366 175
Dividend		-	10 339 142
Other current liabilities	8	73 079 400	45 521 736
Total current liabilities		**90 590 014**	**71 641 412**
Total liabilities		**183 168 739**	**126 240 438**
TOTAL EQUITY AND LIABILITIES		**345 296 509**	**271 694 234**

Oslo, 12 April 2019

Gunnar Jacobsen
Chairman of the Board

Benjamin Jonathan Christoffer Røer
Member of the Board

Kristian Nesbak
CEO

Beate Skjerven Nygårdshaug
Member of the Board

Mark Ivin
Member of the Board

Torun Reinhammar
Member of the Board

Statement of cash flows

Cash flow from operating activities

(NOK 1.000)	2018	2017
Profit before tax	16 528 809	3 049 660
Adjustments for		
Taxes paid	1 343 698	-866 611
Depreciation, amortization and net impairment losses	**17 583 495**	**17 135 816**
Dividend/Group Contribution	**-16 537 916**	**-14 177 157**
Change in operating assets and liabilities, net of effects from Purchase of controlled entities		
Change in accounts receivables	**19 078 465**	**-12 472 569**
Change in accounts payables	**1 596 837**	**2 996 765**
Change in other accruals	**-39 302 944**	**-10 316 943**
Change in deferred revenue	**-**	**-**
Change in trade and other payables	**-**	**-**
Net cash inflow (outflow) from operating activities	**290 444**	**-14 651 039**
Cash flows from investing activities		
Payment for acquisition of subsidiary, net of cash acquired	-5 935 865	-8 845 571
Payment for property, plant, equipment and software development costs	-10 413 702	-10 874 634
Cash flow from other investing activities	16 537 916	14 177 157
Net cash inflow (outflow) from investing activities	**188 349**	**-5 543 048**
Cash flows from financing activities		
Dividends	-10 399 142	-
Proceeds from issuance of ordinary shares	-	99 804 301
Issuing loan to subsidiaries	-89 437 500	-
Repayment of long-term debt	-6 452 222	- 759 391
Proceeds from issuance of long-term debt	60 027 051	4 188 171
IPO-cost	-	-5 485 930
Net cash (outflow) from financing activities	-46 261 813	97 747 152
Net increase/(decrease) in cash and cash equivalents	-45 783 020	77 553 065
Cash and cash equivalents 01. January	86 646 586	9 093 520
Cash and cash equivalents 31. December	40 863 566	86 646 586

Accounting principles

The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles.

Revenue recognition

Sales revenues are recognized upon delivery. Revenue from services is recognized upon performance.

Current assets and liabilities

Current assets and liabilities are comprised of items receivable/due within one year and items related to the inventory cycle. Current assets are valued at the lower of cost and market value.

Tangible assets

Fixed assets are comprised of assets intended for long-term ownership and use. Fixed assets are valued at cost. Fixed assets are recorded in the balance sheet and depreciated over the estimated useful economic life. Fixed assets are written down to recoverable amount when decreases in value are expected to be permanent. Impairments losses recognized are reversed when the basis for the impairment loss is no longer evident.

Intangible assets

Own Research and Development expenses are expensed as and when they incur.

Expenses for other intangible assets are reflected in the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be reliably measured. Otherwise, such expenses are expensed as and when incurred. R&D expenses in the balance sheet are depreciated on a straight-line basis over the asset's expected useful life.

Investments in other companies

Except for short-term investments in listed shares, the cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when Group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/Group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Foreign currency

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Receivables

Accounts receivable and other receivables are recorded in the balance sheet at nominal value less a provision for doubtful accounts. Provision for doubtful accounts is determined on the basis of an individual assessment of receivables. In addition, a general provision for doubtful accounts is made for the remaining receivables. Other receivables are valued under the same principle.

Leasing agreements

After a definite evaluation of each of the company's leasing agreements, they are considered to be defined as operating leasing agreements. These are not capitalized in the balance sheet.

Taxes

The income tax expense is comprised of both tax payable (23%) for the period, which will be due in the next financial year, and changes in deferred tax. Deferred tax is determined based on existing temporary differences between booked net income and taxable net income, including year-end loss carry-forwards. Temporary differences, both positive and negative, which will or are likely to reverse in the same period, are recorded as a net amount.

Cash flow

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments.

Note 1. Revenue

Revenues according to market segments

Norway (NOK)	2018	2017
Subscription based revenues*	44 125 721	42 584 824
Total	**44 125 721**	**42 584 824**
Abroad		
Subscription based revenues*	144 501 386	125 917 145
Total	**144 501 386**	**125 917 145**
Total revenues	**188 627 107**	**168 501 969**

*Subscription based revenues consist of: terminal subscription revenue which was obtained on a regular monthly (up to annual) basis and recurring; solution subscription revenue which was obtained by the time of delivery of service with inclusion of the initial entrance service, and thereafter become regular recurring subscription revenue.

Specification (NOK)	2018	2017
Norway		
Subscription based revenues (with initial entrance service)	151 000	407 000
Abroad		
Subscription based revenues (with initial entrance service)	564 804	437 215
Total subscription based revenues with initial entrance service fee	715 804	844 215

Note 2. Wages and employee benefits expenses, management remuneration and auditors fee

(NOK)	2018	2017
Wages and salaries	25 011 205	20 066 757
Social security	5 428 233	4 432 994
Pension expenses	951 783	821 255
Other benefits	4 028 170	2 588 536
Total	**35 419 391**	**27 909 542**

As of 31.12 the company has a total of 48 employees, and performed 45 man-labour year.

The Company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("Lov om obligatorisk tjenestepensjon"). The Company's pension scheme meets the requirements of this law. The pension scheme is a defined contribution plan. Funded pension liabilities relating to insured plans are not recorded in the balance sheet. The premium paid for 2018, NOK 951 783, is regarded as the pension cost for the period.

Remuneration to leading personnel and auditor’s fee

Remuneration to leading personnel and auditor's fee	Managing director	Board of directors
Salary	2 188 470	-
Other benefits	36 391	900 000
Total employee benefits	2 224 861	900 000

The company does not have any obligations of special remuneration towards The Managing Director or the Board of Directors relating to dismissals or change of the employment contract. The company does not have any stock options that give employees the right to buy or sell shares.

The company has not issued any loans or securities in favour of the Managing Director or any other member of the Board of Shareholder.

Auditor's fee exclusive of VAT consists of the following	2018	2017
Statutory audit fee	160 000	155 000
Consultancy work (annual accounts, tax assessment, reports etc.)	66 000	122 000
Total auditor’s fee	226 000	277 000

Share Options

On 14 May 2018, the Board resolved to issue share options to management of the Company. The resolution was made on the basis of the approval by the Annual General Meeting of 27 April 2018 to authorize the Board of Directors of Infront ASA to issue new shares to management under a long-term incentive program. A total of 1 032 927 options for shares of the Company were distributed amongst the management. 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 day of grant (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 will be void.

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 hold by primary insiders of Infront ASA:

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

Note 3. Tangible assets

2017	Equipment and other movables	Total
(NOK)		
Acquisition cost 01.01.2017	7 122 583	7 122 583
Additions	486 287	486 287
Disposals	-	-
Acquisition cost pr 31.12.2017	**7 608 870**	**7 608 870**
Accumulated depreciations pr 1.1.2017	6 525 585	6 525 585
Depreciations for the year	315 076	315 076
Accumulated depreciations pr 31.12.2017	**6 840 661**	**6 840 661**
Net value 31.12.2017	**768 209**	**768 209**

Useful economic life is estimated to 3-5 years. Depreciations of tangible assets is on a linear basis through the expected economic life.

2018	Equipment and other movables	Buildings and land	Total
(NOK)			
Acquisition cost 01.01.2018	7 608 870	-	7 608 870
Additions	168 244	876 669	1 044 913
Disposals	-	-	-
Acquisition cost pr 31.12.2018	**7 777 114**	**876 669**	**8 653 783**
Accumulated depreciations pr 1.1.2018	6 840 661	-	6 840 661
Depreciations for the year	407 154	-	407 154
Accumulated depreciations pr 31.12.2018	**7 247 815**	**-**	**7 247 815**
Net value 31.12.2018	**529 299**	**876 669**	**1 405 968**

Useful economic life is estimated to 3-5 years. Depreciations of tangible assets is on a linear basis through the expected economic life.

Note 4. Intangible assets

2017	Research & Development	Customer contracts	Total
(NOK)			
Acquisition cost 01.01.2017	56 439 185	49 157 000	105 596 185
Additions	10 403 577	-	10 403 577
Disposals	-	-1 411 529	-1 411 529
Acquisition cost pr 31.12.2017	**66 842 762**	**47 745 471**	**114 588 233**
Accumulated depreciations pr 1.1.2017	39 261 684	409 641	39 671 325
Depreciations for the year	11 905 040	4 915 700	16 820 740
Accumulated depreciations pr 31.12.2017	**51 166 724**	**5 325 341**	**56 492 065**
Net value 31.12.2017	**15 676 038**	**42 420 130**	**58 096 168**
Economic life	3 years	10 years	
Depreciation plan	Linear	Linear	

2018	Research & Development	Customer contracts	Total
(NOK)			
Acquisition cost 01.01.2018	66 842 762	47 745 471	114 588 233
Additions	9 368 789	-	9 368 789
Disposals	-	-	-
Acquisition cost pr 31.12.2018	**76 211 551**	**47 745 471**	**123 957 022**
Accumulated depreciations pr 1.1.2018	51 166 723	5 325 341	56 492 064
Depreciations for the year	12 260 641	4 915 700	17 176 341
Accumulated depreciations pr 31.12.2018	**63 427 364**	**10 241 041**	**73 668 405**
Net value 31.12	**12 784 187**	**37 504 430**	**50 288 617**
Economic life	3 years	10 years	
Depreciation plan	Linear	Linear	

Note 5. Tax

This year's tax expense (NOK)	2018	2017
Entered tax on ordinary profit/loss:		
Payable tax	-	-
Changes in deferred tax	788 675	-3 089 254
Tax expense on ordinary profit/loss	**788 675**	**-3 089 254**
Taxable income:		
Ordinary profit/loss before tax	16 528 809	3 049 660
Permanent differences	-13 837 467	-17 628 693
Changes temporary differences	-35 935	5 019 206
Allocation of loss to be brought forward	-2 655 407	-
Taxable income	**-**	**-9 559 827**
Payable tax in the balance:		
Payable tax on this year's result	-642 253	-459 838
Payable tax on received Group contribution	642 253	459 838
Total payable tax in the balance	**-**	**-**
Calculation of effective tax rate:		
Profit before tax	16 528 809	3 049 660
Calculated tax on profit before tax	3 801 626	731 918
Tax effect of permanent differences	-3 182 617	-4 230 886
Effect of change in tax rate	118 984	148 101
Total	**737 992**	**-3 350 687**
Effective tax rate	4.5%	-109.9%

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax, specified on type of temporary differences:

This year's tax expense	**2018**	**2017**	**Differences**
Tangible fixed assets	-7 600 663	-7 636 598	-35 935
Accounts receivable	-100 000	-100 000	-
Total	-7 700 663	-7 736 598	-35 935
Accumulated loss to be brought forward	-6 904 421	-9 559 827	-2 655 406
Not included in the deferred tax calculation	2 706 710	2 486 349	-220 361
Basis for calculation of deferred tax	-11 898 373	-14 810 076	-2 911 704
Deferred tax (22% / 23%)	-2 617 642	-3 406 318	-788 677
Effect of change in tax rate	118 984	148 101	-

Note 6. Equity

2017	Share capital	Own shares	Share premium	Paid-up equity	Other equity	Total
(NOK)						
Equity 1.1.2017	216 501	-	7 862 540	360 376	46 896 239	55 335 655
Issue of share capital	434 782	-	99 369 519	-	-	99 804 301
Transferred from other equity	1 948 503	-	-1 948 503	-	-	-
Cost of equity issue	-	-	-	-5 485 930	-	-5 485 931
Profit for the period	-	-	-	-	6 138 914	6 138 914
Dividend*	-	-	-	-	-10 339 144	-10 339 144
Equity 31.12.2017	2 599 785	-	105 283 556	-5 125 554	42 696 008	145 453 794

2018	Share capital	Own shares	Share premium	Paid-up equity	Other equity	Total
Equity 1.1.2018	2 599 785	-	105 283 556	-5 125 554	42 696 008	145 453 794
Issue of share capital	-	-	-	-	-	-
Transferred from other equity*	-	-	-	-	-60 000	-60 000
Share option program**	-	-	-	-	993 840	993 840
Profit for the period	-	-	-	-	15 740 134	15 740 134
Equity 31.12.2018	2 599 785	-	105 283 556	-5 125 554	59 369 982	162 127 770

* Deviation between dividend provision in 2017 and dividend paid out in 2018 of NOK 20 738 286.

**On 14 May 2018, the Board resolved to issue share options to management of the Company. The resolution was made on the basis of the approval by the Annual General Meeting of 27 April 2018 to authorize the Board of Directors of Infront ASA to issue new shares to management under a long-term incentive program. A total of 1 032 927 options for shares of the Company were distributed amongst the management. 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 day of grant (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 will be void. For more details refer to Group Annual Report note 7 Share Options.

Share options currently hold by primary insiders of Infront ASA:

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

Note 7. Share capital and shareholder information

Issued capital consists of 25 997 856 shares of NOK 0.1 each. Total issued capital is NOK 2 599 785.

All shares give equal rights.

Name	Number of shares	% of shares
LINDEMAN AS*	4 366 667	16.80%
NESBAK AS**	4 233 334	16.28%
JPMorgan Chase Bank, N.A., London	1 861 622	7.16%
JPMorgan Chase Bank, N.A., London	1 370 000	5.27%
HSBC TTEE MARLB EUROPEAN TRUST	1 219 149	4.69%
Euroclear Bank S.A./N.V.	1 219 006	4.69%
State Street Bank and Trust Comp	1 129 808	4.35%
HANDELSBANK NORDISKA SMABOLAGSFOND	1 020 000	3.92%
Nordnet Bank AB	871 226	3.35%
Goldman Sachs International	791 834	3.05%
VASSBOTN	650 010	2.50%
Skandinaviska Enskilda Banken AB	646 499	2.49%
Citibank, N.A.	579 134	2.23%
Ram One	536 500	2.06%
Skandinaviska Enskilda Banken S.A.	530 006	2.04%
Danske Bank A/S	489 411	1.88%
Skandinaviska Enskilda Banken AB	399 234	1.54%
MP PENSJON PK	300 000	1.15%
CLEARSTREAM BANKING S.A.	291 500	1.12%
Remaining shareholders	3 492 916	13.44%
Total number of shares	**25 997 856**	**100.0%**

* Morten Lindeman, Executive Management, CINO of Infront ASA
**Kristian Nesbak, Executive Management, CEO of Infront ASA

Shares directly or indirectly held by members of the Board of Directors, Chief Executive Officer and Executive Management:

Name	Title	Number of Shares
Kristian Nesbak	Executive Management, CEO	4 233 334
Morten Alexander Lindeman	Executive Management, CINO	4 366 667
Max Martin Hofer	Executive Management, CFO	100 000
Gunnar Jacobsen	Chairman, Board of Directors	43 478
Benjamin Røer	Member, Board of Directors	13 043
Mark Ivin	Member, Board of Directors	10 869
Beate Skjerven Nygårdshaug	Member, Board of Directors	4 347
Torun Reinhammar	Member, Board of Directors	450

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Note 8. Investments in subsidiaries

Company	Registered office	Ownership share	Date of acquisition	Historical cost	Book value
(NOK)					
Infront Sweden AB	Stockholm	100%	14.03.07	85 360	85 360
Nyhetsbyrån Direkt AB	Stockholm	100%	01.12.08	15 641 798	15 641 798
Infront Finland Oy	Helsinki	100%	28.09.17	23 339	23 339
CatalystOne AS	Oslo	100%	30.10.09	1	1
Infront Analytics SAS	Paris	100%	04.05.12	18 900 000	18 900 000
Infront Financial Information Ltd	London	100%	03.07.15	13	13
TDN Finans AS	Oslo	100%	01.05.16	18 808 642	18 808 642
Infront South Africa Ltd	Johannesburg	100%	30.06.16	63	63
Infront Data AB*	Stockholm	100%	07.03.17	14 660 709	14 660 709
Infront Italia S.R.L.**	Milan	100%	29.11.18	97 325	97 325

* On 12 March 2018 Infront ASA acquired the remaining shares of 22.78% in Infront Data AB of SEK 6 200 000.

** Newly incorporated entity on 29 November 2018, with invested share capital of EUR 10 000.

Company	Result	Equity 31 December
(NOK)		
Infront Sweden AB	3 928 263	4 212 098
Nyhetsbyrån Direkt AB	3 874 876	7 505 006
Infront Finland Oy	-397 959	-1 152 178
CatalystOne AS	805 445	121 243
Infront Analytics SAS	5 676 559	19 554 852
Infront Financial Information Ltd	-1 270 628	-6 880 320
TDN Finans AS	1 758 141	1 164 042
Infront South Africa Ltd	-1 334 996	-3 880 253
Infront Data AB	-112 553	2 118 275
Infront Italia S.R.L*	-	-

* The 2018 result for the newly incorporated Infront Italia S.R.L. is not material and therefore the relevant figures were not reflected in the table.

Receivables and liabilities to Group companies are included with the following amounts:

	2018	2017
Trade receivables	2 140 235	15 824 450
Other receivables	95 289 230	35 395 640
Other long-term receivables*	74 612 250	-
Other short-term liabilities	38 545 620	21 408 261
Trade payables	5 221 426	2 835 595
Long term debt	12 206 520	17 136 905

*The Group has granted its newly incorporated subsidiary Infront Italia S.R.L a loan of EUR 9 million to finance acquisition-related transactions. The initial repayment plan is six financial years with an annual interest of 5% calculated from 01 January 2019. As of 31.12.2018 the total non-current loan receivable from Infront Italia S.R.L was NOK 74 612 250.

	2018	2017
Loan to Infront Italia S.R.L.	89 437 500	-
Repayments due within one year	14 825 250	-
Rest of repayments due in six years	74 612 250	-

Transactions with subsidiaries

The Group has various transactions with subsidiaries. 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:

31.12.2018		**Sales to related parties**	**Purchases from related parties**
TDN Finans AS	Norway	-	4 649
Infront Sweden AB	Sweden	89 361	-
Nyhetsbyrån Direkt AB	Sweden	204	19 741
Infront Data AB	Sweden	-	338
Infront Analytics SAS	France	-	8 640
Total		89 565	33 368

31.12.2017		**Sales to related parties**	**Purchases from related parties**
TDN Finans AS	Norway	-	4 287
The Online Trader Sweden AB	Sweden	71 119	-
Nyhetsbyrån Direkt AB	Sweden	204	15 921
Infront Data AB	Sweden	-	476
Infront Analytics SAS	France	-	6 757
Total		71 323	27 442

Note 9. Financial items

Financial items	2018	2017
Interest income	348 924	35 849
Share of profit of subsidiaries	16 537 916	14 177 157
Profit on foreign exchange	5 170 809	3 007 055
Total financial income	**22 057 649**	**17 220 061**

Financial items	2018	2017
Other interest expenses	1 200 945	935 780
Loss on foreign exchange	6 576 621	6 050 632
Other financial expenses	713 379	-
Total financial expenses	**8 490 945**	**6 986 412**

Note 10. Bank deposits

(NOK)	2018	2017
Employees tax deduction, deposited in a separate bank account	1 728 480	1 366 699
Other bank deposits and cash	39 135 086	85 279 887
Total bank deposit and cash	40 863 566	86 646 586
Overdraft account	-	-
Total liquid assets	**40 863 566**	**86 646 586**

The Group's liquidity is organized in a group account. This implies that the cash in the subsidiaries at this account is classified as receivables with the parent company, and that all group companies are jointly responsible for all transactions done by the parent.

Most companies in the Infront Group are participants in a group account where the parent company Infront ASA is the main account holder.

All participants are jointly and severally liable for any outstanding balance on the group account.

Danske Bank has provided Infront ASA a loan facility of total MNOK 60 secured by a mortgage. The pledge comprises the operating accessory of MNOK 30 and factoring facility of MNOK 30. In addition Danske bank provided an opitional loan facility of MNOK 50 to Infront which is not utilized.

Note 11. Debt to financial institutions

As of 31.12.2018 the Group's long-term liabilities consist of:	Due within 1 year	Due between 1-5 years	Due beyond 5 years	Total
Bank debt secured by mortgage	7 500 000	40 000 000	12 500 000	60 000 000
Seller credits related to business combinations	8 293 635	27 188 631	-	35 482 266

As of 31.12.2017 the Group's long-term liabilities consist of:	Due within 1 year	Due between 1-5 years	Due beyond 5 years	Total
Bank debt secured by mortgage	-	-	-	-
Seller credits related to business combinations	7 258 536	29 143 126	6 797 158	43 198 820

Balance sheet value of assets placed as security:		
Account receivables	10 760 193	29 838 658
Tangible assets	529 299	768 209

Infront ASA obtained a loan facility of total MNOK 60 (EUR 6 064 588), with repayment plan as follows: the borrower shall repay Advance in quarterly instalments (on 31 March, 30 June, 30 September and 31 December) in amounts equal to 1/24 of the relevant Term Loan Commitment, commencing on 30 June 2019 for the Term Loan. Infront ASA shall pay accrued floating interest on each Advance on each Interest Payment Date for that Advance at an estimated average rate of 2.3% calculated by the Lender as the aggregate of the Relevant Base Rate, and the Margin.

Note 12. Rental agreements and leasing

The Group as lessee – financial lease agreements

The Group has no financial lease agreements.

The Group as lessee – operating lease agreements

The Group has entered into several different operating lease agreements for machines, offices and other facilities. The majority of these agreements includes a warrant for renewal at the end of the agreement period. Some lease agreements have contingent payments which consist of a certain percentage of a future sale of the asset. The lease agreement has no restrictions on the company's dividend policy or financing options.

The lease cost consists of:

(NOK)	2018	2017
Ordinary lease payments	4 066 811	4 814 950
Contingent remuneration	-	-
Remuneration from subleases	727 470	924 720
Total	**4 794 281**	**5 739 670**

Future minimum leases related to non-terminable lease agreements are maturing as follows:

Within 1 year	3 529 010
1 to 5 years	17 645 050
After 5 years	7 058 020
Total	**28 232 080**

Alternative Performance Measures

The Group's financial information in this annual 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 corresponds to the ''operating profit before depreciation, amortisation and impairment'' in the consolidated income statement in the annual report. EBITDA represents earnings before interest, taxes, depreciation and amortization.
- EBIT represents earnings before interest and taxes. EBIT corresponds to ''operating profit'' in the consolidated income statement in the annual report.
- A professional subscriber is defined as a corporation, partnership, proprietorship or any other entity whatsoever.

INFRONT ASA

The Board of directors' declaration on determination of salaries and other remuneration for senior management 2018

1. General

This declaration is prepared by the board of directors in Infront ASA ("**Infront**" or the "**Company**") in accordance with the Norwegian Public Limited Liability Companies Act (the "**Companies Act**") section 6-16a, for consideration at the annual general meeting on 27 April 2018.

Principles in this declaration regarding allocation of shares, subscription rights, options and any other form of remuneration stemming from shares or the development of the official share price in the Company are binding on the board of directors when approved by the general meeting. Such guidelines are described in section 3.2. The other guidelines are precatory for the board of directors. If the board of directors deviates from such other guidelines, the reasons for the deviation shall be stated in the minutes of the board of directors' meeting.

The principles set out for determination of salaries and other remuneration for the senior management in this declaration shall apply for the financial year 2018 and until new principles are resolved by the general meeting in accordance with the Companies Act. The annual general meeting in 2019 will review how the principles set out in this declaration have been complied with in 2018 and deal with the principles for 2019 in accordance with the Companies Act.

2. Main principles

Senior management remuneration in Infront and group companies shall be determined based on the following main principles:

2.1 Remuneration shall be competitive, but not leading

Senior management remuneration shall, as a general guideline, be suited to attract and retain skilled leaders in order to enhance value creation in the Company and contribute to aligned interests between management and the shareholders. Total remuneration should as a general rule be at level with remuneration for senior management in comparable industries, businesses and positions in the country in which the individual manager resides.

2.2 Remuneration shall be motivational

Senior management remuneration shall be structured to drive motivation and encourage improvements in results and shareholder value. In general, the remuneration consists of five elements: base salary, short term incentives, long term incentives, benefits in kind and pension benefits. The variable remuneration, short term and long term, is linked to value generation for shareholders over time.

The variable remuneration is determined both by achievement of individual and company-wide key performance indicators and goals. It is instrumental that the senior manager can influence achievement of the key performance indicators and goals both on an individual level and by team efforts.

The long-term incentives are tied to development of the official share price in the Company and in accordance with section 3.2 of this declaration.

2.3 Remuneration shall be comprehendible and acceptable both internally and externally

The remuneration system shall not be unduly difficult to explain to the general public and should not involve disproportional complexity for the administration.

2.4 Remuneration shall be flexible, allowing adjustments over time

To be able to offer competitive remuneration the Company must have a flexible system that can accommodate changes as Company and the markets evolve.

3. Principles regarding benefits offered in addition to base salary

The base salary is the main element of the senior manager's remuneration. Additional and variable remuneration elements shall, at the time of grant, be subject to a maximum amount.

The following refers to the individual benefits that are granted in addition to base salary. Unless specifically mentioned, no special terms, conditions or allocation criteria apply to the benefits mentioned.

3.1 Additional benefits

3.1.1 Short term incentive / bonus scheme

The Company has established a bonus scheme for senior management. Members of the senior management are entitled to cash bonuses pursuant to their respective employment contracts which become payable upon achievement of certain pre-determined targets. The targets and size of the bonus varies between the members of senior managements. The targets relate to, inter alia, (i) achievement of budget targets and (ii) bonuses based on subjective criteria. All variable remuneration is subject to an absolute limit.

3.1.2 Pension plans and insurance

Senior managers participate in the Company's pension scheme, which is a contribution scheme in accordance with the requirements of the Mandatory Company Pensions Act. The pension schemes also provide coverage in the event of disability.

The Company may compensate senior management for health and life insurance plans in line with standard conditions for senior positions, in addition to mandatory occupational injury insurance required under Norwegian Law.

3.1.3 Severance schemes

Currently, only one employee of the company has entered into an employment agreement that provides for any special benefits upon termination of employment. The Company may however, in line with market practice, enter into further agreements whereby senior management are entitled to receive salary for a certain periods after termination of employment. Such severance pay should not exceed 12 months after the end of the relevant person's employment.

3.1.4 Benefits in kind

Senior managers will normally be given the benefits in kind that are common market practice, i.e., telephone expenses, a laptop, free broadband connection and use, newspapers and car allowance. There are no special restrictions on the type of other benefits that can be agreed on.

3.1.5 Loans and guarantees

The Company may enter into loan agreements with its employees, including senior management. The Company has previously granted loans to senior employees in connection with their acquisition of shares in the Company. All such loans have been granted in accordance with the terms of the Companies Act, including the requirement for satisfactory security for such loans, and are subject to an interest equal to the Norwegian Tax Administration's norm interest rate, as adjusted every two months.

3.1.6 Other benefits

It may be used other variable elements in the remuneration or awarded other special benefits than those mentioned above, provided that this is considered expedient for attracting and/or retaining a manager. No special limitations have been placed on the type of benefits that can be agreed.

3.2 Binding principles for options and other types of benefits related to shares or share price trends

The Company does not currently have a remuneration scheme linked to the shares in the Company and/or the share price for senior management. In order to strengthen the common interests between the senior management and other key employees and the shareholders of the Company, the board of directors is currently contemplating to implement such an incentive program in the Company. The exact structure for such program has not been determined, but the board of directors is expecting to consider remuneration in the form of inter alia shares, options and restricted share units (RSU).

The following main principles shall apply to any remuneration in the form of options, shares or linked to the shares/share price:

- The program shall be structured in a way as to not encourage a short-term approach that could be damaging to the Company's long-term interests.
- Allocations shall be based on individual accomplishments.
- The program shall be linked to value creation for shareholders performance over time.
- The program shall include a vesting and/or lock-up period.
- The remuneration for the senior management under a share linked remuneration scheme shall be subject to an absolute limit.
- The program shall not exceed the equivalent of 4% of the issued share capital in the Company

4. Remuneration to senior managers in other Infront companies

All companies in the Infront group are to follow the main principles for the determining of senior management salaries and remuneration as set out in this declaration. Infront aims at coordinating management remuneration policy and the schemes used for variable benefits throughout the group.

5. Statement on executive salary policy and consequences of agreements on remuneration in the previous financial year

Remuneration, including pension and insurances, severance schemes, benefits in kind and other benefits granted to senior management are discussed note 6 to the annual accounts for the financial year 2018.

As the Company was converted to a Norwegian public limited liability company in 2017, the Company does not have a previously resolved declaration on determination of salaries and other remuneration for senior management.

The annual report and annual accounts for 2018 are available on the web site of the Company, infrontfinance.com.

Oslo, 12 April 2019

The Board of Directors of Infront ASA

Gunnar Jacobsen
Chairman of the Board

Benjamin Jonathan Christoffer Røer
Member of the Board

Kristian Nesbak
CEO

Beate Skjerven Nygårdshaug
Member of the Board

Mark Ivin
Member of the Board

Torun Reinhammar
Member of the Board

Infront ASA

Headquarters
Munkedamsveien 45
0250 Oslo

Website
infrontfinance.com

E-mail
ir@infrontfinance.com

Twitter
@infrontfinance

Discover. Analyze. Trade.

BDO AS
Munkedamsveien 45
P.O. Box 1704 Vika
N-0121 Oslo, Norway

Independent Auditor's Report

To the General Meeting in Infront ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infront ASA.

The financial statements comprise:	In our opinion:
• The financial statements of the parent company, which comprise the balance sheet as at 31 December 2018, income statement, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and • The financial statements of the group, which comprise the balance sheet as at 31 December 2018, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.	• The financial statements are prepared in accordance with the law and regulations. • The accompanying financial statements give a true and fair view of the financial position of Infront ASA as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. • The accompanying financial statements give a true and fair view of the financial position of the group Infront ASA as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	**How the key audit matter was addressed in the audit**
Impairment of intangible assets Carrying amounts of goodwill and other intangible assets resulting from the Group's business acquisitions, constitute the greater part of the assets in the Group's statement of financial position. As at 31 December 2018, goodwill and other intangible assets amounting to NOK 184.8 million represent 47 % of total assets. Management performs an annual goodwill impairment test by estimating the recoverable amount of goodwill. The determination of recoverable amounts requires application of significant judgment by management, in particular with respect to cash flow forecast and the applied discount rate. Due to the materiality, complexity and estimation uncertainty concerning goodwill, we consider impairment of goodwill a key audit matter in the audit of the Group. See note 8 in the consolidated financial statements. The Group's accounting policy regarding impairment of intangible assets is disclosed in note 1.3 to the consolidated financial statements.	Our audit procedures included an evaluation of the key assumptions applied in the valuation model, such as revenue growth, EBITDA margin, terminal growth rate, discount rate and remaining useful life. We involved our valuation specialists to assist us with our assessment of the discount rates, expected inflation rates and the appropriateness of the model used. In addition, we performed the following audit procedures: • we evaluated the reliability of estimates used by management by comparing forecasts made in prior years to actual outcomes • we assessed key inputs in the calculations such as revenue growth, EBITDA and discount rate, by reference to management's forecasts • we assessed management's sensitivity analysis focused on what impact on recoverable amount reasonable changes in assumptions such as revenue growth, EBITDA and discount rate would have • we tested the mathematical accuracy of the valuation model Furthermore, we have evaluated the adequacy of the disclosures provided in the notes covering impairment.

Accounting for business combinations	
On 20 December 2018, the Group acquired the business of the Market Connect division from the Italian company Spafid Connect S.p.A. The acquisition was structured as a business combination in which the net assets of the Market Connect business was legally merged into a wholly owned Italian subsidiary of the Group. The total consideration was approximately NOK 70 million. In accordance with the requirements in IFRS 3 business acquisitions are accounted for by applying the acquisition method. Hence, identifiable assets acquired and liabilities assumed are initially measured at fair value at the transaction date. Any consideration in excess of the net identifiable assets, is recorded as goodwill. In relation to the acquisition, the Group has prepared provisional purchase price allocations. The purchase price allocation requires the application of significant judgment by management, in particular with respect to identification and valuation of intangible assets. Due to the materiality, we consider accounting for business combinations to constitute a key audit matter in the audit of the group. See note 22 to the consolidated financial statements.	We performed the following audit procedures: • we compared the Sale and Purchase Agreement (SPA) and the preliminary Purchase Price Allocation (PPA) with respect to consideration amounts • we tested the mathematical accuracy of the calculations derived from the forecast model Furthermore, we have evaluated the adequacy of the disclosures provided in the notes covering business combinations.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, statement on Corporate Governance and other information in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements for the parent company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the parent company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

https://revisorsforeningen.no/revisjonsberetninger

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statement on Corporate Governance concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 12 April 2019
BDO AS

Børre Skisland
State Authorised Public Accountant