



Q1 2020

Infront ASA – Interim Report



HIGHLIGHTS

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

- **Resilient business model – Q1 2020 group revenue of EUR 27.7 million (EUR 10.8 million)**
 - YoY increase of 158% reflects inclusion of vwd
 - EUR 0.8 million decrease vs. Q4 2019 driven by reduced non-recurring revenue in vwd
- **Q1 2020 adjusted EBITDA of EUR 4.2 million (EUR 1.9 million)**
 - Positive YoY impact due to inclusion of vwd Group
 - Continued synergy capture and cost optimisation efforts moving forward as planned
- **Implemented group-wide measures following COVID-19 outbreak**
 - Focus on employee health and complying with local guidance
 - Smooth transition to home offices during lock-down periods
 - Frequent interactions between team-leaders and employees
 - Stable system performance during spike in activity
- **vwd integration moving forward according to plan**
 - Joint sales and product development efforts for the entire group
 - Combining the best of Infront and vwd
 - Delivering on communicated cost-savings plan



Our top priorities amid the COVID-19 outbreak is to ensure the safety and welfare of our employees and to provide excellent services to our customers in a time of heightened market activity. During the first quarter, we continued the vwd integration, focusing on leveraging our combined product portfolio and attaining cost synergies. The uncertainty accompanying the COVID-19 pandemic is challenging for all, but we are confident that we have the right team, business model and value proposition to deliver on our strategy.

- Kristian Nesbak, CEO and Founder



OPERATIONAL REVIEW

Financial professionals across Europe and South Africa rely on Infront for global real-time market data, trading, news, and analytics. With the acquisition of vwd Group, Infront's product coverage now also includes data and feed solutions, portfolio management and advisory solutions, regulatory compliance solutions as well as publication and distribution solutions. Customers and end-users benefit from the highest level of expertise in regulation, private wealth, market data and the frictionless interaction of the diverse solutions and products covering their complete workflow. Driven by clients' business needs, Infront's solutions help users make money, reduce costs, adapt to fast changing market requirements and work more efficiently with ever-increasing amounts of information – quickly, easily and flexibly.

More than 500 employees in 13 countries (Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, South Africa and United Kingdom) apply their expertise to meet the challenges of our clients, ensuring they continuously receive the best solutions and services.

The COVID-19 outbreak in the first quarter of 2020 has had a great social and economic impact worldwide. The first and most important part of the group's response to COVID-19 has been to ensure the health of employees and to safeguard operational stability through a period of heightened market activity. Furthermore, the group has performed a risk assessment with regards to COVID-19 covering the following areas:

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

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

The business is organized in the segments **Infront Solutions and Terminal**, **vwd Group** and **News and Other**.

For a more detailed representation of the Infront segments, please see the group's annual report for 2019.



Infront Solutions and Terminal

Solutions and Terminal revenue from external customers was EUR 8.8 million in Q1 2020, compared to EUR 9.3 million in Q1 2019. Approximately 42% of segment revenue was recognized in Euro and 35% in Swedish krona.

The addition of high-quality Italian market data to the Infront Professional Terminal in 2019 has strengthened the value proposition to finance professionals in Europe and worldwide. Customer-migration to the Infront Professional Terminal is on-track.

In Q1 2020, Infront Analytics has continued its focus on integration with other products from the Infront Group and started to reorganize the Web toolkit for easier use of its components into other Infront solutions. The Analytics data backend has been improved by including more data and calculations through a refactored routing layer. The Infront Analytics Excel Add-in has been highly improved with several releases in Q1, featuring new Excel functions such as instrument codes automated conversions, vectoral functions for historical time series extraction and some additional capabilities to prepare for wider usage within the group. Stability of the Excel functions module for large amount of data was also improved.

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

Client base

Terminal clients include paying users of Infront Professional Terminals for market data and analytics, Professional Trading Terminals and users of Infront Italia's professional terminals. Solution users include users of Infront Retail Trading Solutions and other solutions such as FX, mobile and media, and web and feed solution users of Infront Italia. The Infront Web Technology solutions for customers such as SEB and Handelsbanken are not measured on a user level and are therefore not included in the user data.

The number of professional terminal users (excluding users in vwd) decreased by 1% to 6.0k users, the number of solutions users by 2% to 31.6k users compared to Q1 2019.



vwd Group

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

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

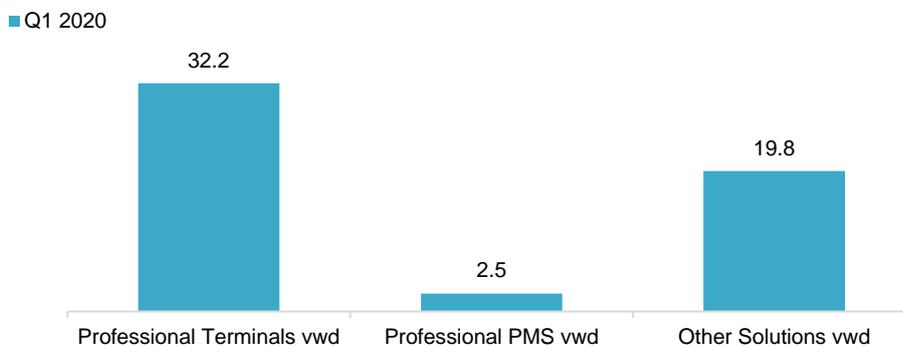
vwd’s consolidated revenue from external customers in Q1 2020 was EUR 17.4 million. This includes EUR 0.6 million of non-recurring revenue. Approximately 92% of revenue was recorded in Euro and 8% in Swiss Franc.

Client base

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

Number of professional users per vwd product:

‘000s of users





News and Other

Q1 2020 News and Other revenue from external customers increased 4% YoY to EUR 1.5 million (EUR 1.4 million), reflecting steady segment performance. Approximately 74% and 26% of segment revenue was recognised in Swedish krona and Norwegian krone, respectively.

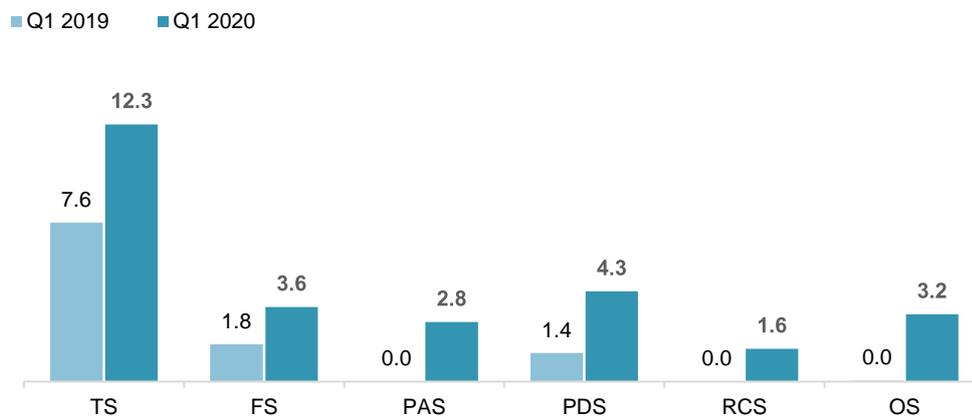
The year started with continued good momentum in the news operation. At the end of the quarter, the overall sentiment was affected by the COVID-19 outbreak with a limited negative impact on studio and video activity. The news wire operation was not impacted. Demand for trustworthy and reliable news sources, as provided by Infront, increases during uncertain times.

Focus on corporates have proven successful and Infront benefits from a wide and diversified offering with terminals, news, data and various IR services that support listed companies' market communication. This business area is expected to provide growth opportunities going forward.

Revenue per Product Group

Revenue per Infront product group:

(EUR million)



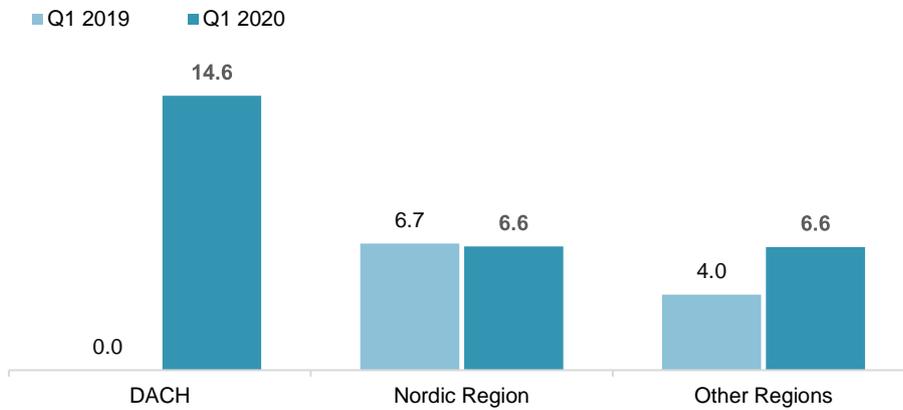
Infront categorises its products into six groups: Terminal Solutions (TS), Feed Solutions (FS), Portfolio and Advisory Solutions (PAS), Publication and Distribution Solutions (PDS), Regulatory and Calculation Solutions (RCS) and Other Solutions (OS). See Note 2 for detailed segment information.



Revenue per Region

Revenue per region:

(EUR million)



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

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

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



Outlook

Ensuring the safety of employees and continued delivery of stable and high-performing products and solutions to clients are the main priorities following the COVID-19 outbreak.

The integration of vwd is moving according to plan, targeting significant cost-savings over the next two to three years and a large potential for up- and cross-selling across geographies.

Developing integrated products and solutions that leverage the expanded range of available data sources and services will allow Infront to provide terminal solutions across all markets and asset classes to fully realise the potential from its strengthened market position in Europe and beyond. Infront continuously considers add-on acquisitions to strengthen its position in selected markets and its overall technology offering.

Infront is committed to delivering outstanding value to its customers through innovative and user-friendly solutions. Continued product development is a key component of the business strategy together with pursuing organic growth, synergy capture and market consolidation to drive long-term value creation.



FINANCIAL REVIEW

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

Profit and loss

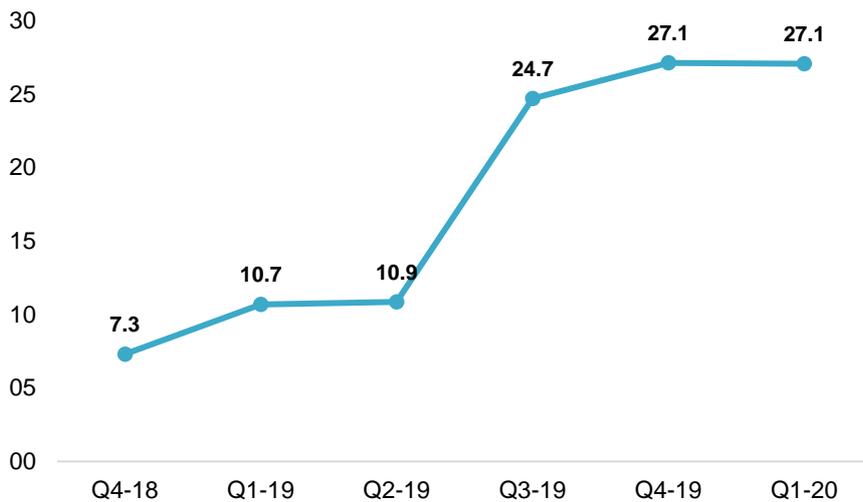
Q1 2020 operating revenue was EUR 27.7 million (EUR 10.8 million), an increase of 156% from the same quarter last year. The increase reflected the inclusion of vwd Group.

Q1 2020 reported EBITDA was EUR 3.7 million (EUR 1.8 million). Realizing continued synergy capture and cost optimisation effects, adjusted EBITDA was at 4.2 million compared to adjusted EBITDA of EUR 1.9 million in Q1 2019.

Infront generates most of its revenue from recurring subscription contracts for its services which represented about 98% of total sales for Q1 2020.

Recurring subscription* revenue development

(EUR million)



* Subscription and volume-based revenue

Cost of services rendered for the period was EUR 9.8 million (EUR 4.3 million). The increase reflected the increased revenue base and the inclusion of vwd Group.

Employee-related expenses were EUR 10.8 million (EUR 3.1 million). Adjusted for integration-related costs of EUR 323 thousand, other operating expenses amounted to EUR 10.5 million, compared to EUR 3.1 million during the same quarter last year. The group employed 525 FTEs at the end of Q1 2020 (143) following the acquisition of vwd Group.

Other operating expenses were EUR 4.0 million in Q1 2019 (EUR 1.5 million). Adjusted for integration-related costs of EUR 160 thousand, other operating expenses amounted to EUR 3.8 million, compared to EUR 1.5 million during the same quarter last year.



Net financial expense was EUR 0.2 million in Q1 2020 (net financial income of EUR 0.2 million). The increase reflects bond interest cost and foreign exchange effects.

Income tax for the period was EUR 1.2 million (income tax EUR 0.1 million).

Net loss for the quarter was EUR 1.0 million (net profit EUR 1.0 million). This is equivalent to a loss per share of EUR -0.02 (profit per share of EUR 0.04).

Financial position

Total assets as of 31 March 2020 were EUR 240.0 million, compared to EUR 228.5 million at the end of December 2019.

The combined book value of Intangible assets and equipment and fixtures amounted to EUR 174.3 million compared to EUR 176.9 million at the end of December 2019. Right-of-use assets at the end of the period amounted to EUR 12.9 million (EUR 13.7 million). For detailed information on IFRS 16 effects refer to note 4 *Right-of-use assets and lease liabilities (IFRS 16)* in this interim report.

Trade and other receivables were EUR 21.4 million at the end of the first quarter 2020, compared to EUR 12.5 million at the end of December 2019.

At the end of the first quarter 2020 the cash position was EUR 23.3 million, compared to EUR 18.7 million at the end of 2019. The increase mainly reflects the prepayments received.

The non-current liabilities have remained stable at EUR 144.3 million (EUR 144.7 million).

Current liabilities at the end of the first quarter 2020 were EUR 64.5 million, compared to EUR 52.4 million at the end of 2019. The main effect on current liabilities was an increase of EUR 11.4 million in advance payments received on orders in vwd Group.

Cash Flow

Cash position at the end of Q1 2020 was EUR 23.3 million (EUR 8.6 million).

Net cash flow from operational activities was EUR 7.2 million at the end of Q1 2020 (EUR 0.7 million). Cash flow was positively impacted by net working capital movements of EUR 3.4 million in 2020.

Net cash flow from investing activities was negative at EUR 1.3 million (negative EUR 0.7 million). Investments were related to SIX transaction-related payments of EUR 0.2 million, investments in IT equipment of EUR 0.3 million and investments in software developments of EUR 0.7 million.

Net cash flow from financing activities was negative at EUR 0.8 million (negative EUR 0.2 million). The financing cash flow reflects repayments of lease liabilities.



INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Consolidated income statement

(unaudited)

(EUR 1.000)	Note	Q1 2020	Q1 2019
Revenues		27 717	10 760
Total operating revenues			
Cost of services rendered		9 823	4 314
Salary and personnel costs		10 833	3 090
Other operating expenses	4	3 983	1 513
Depreciation, amortisation and net impairment losses	4	3 393	865
Other income		-626	-
Total operating expenses		27 406	9 783
Operating profit		311	977
Financial income	5	1 907	460
Financial expenses	4	-2 069	-297
Financial income/(expenses) - net		-162	164
Profit before income tax		149	1 141
Income tax expense		-1 159	-93
Profit for the period		-1 010	1 048
Profit is attributable to:			
Owners of Infront ASA		-1 215	1 048
Non-controlling interests		205	-
		-1 010	1 048

Earnings per share

Basic and diluted earnings per share	-0,02	0,04
Average number of shares	43 425 390	25 997 856
Number of shares at the end of reporting date	43 425 390	25 997 856



Statement of comprehensive income

(unaudited)

(EUR 1.000)	Note	Q1 2020	Q1 2019
Profit for the period		-1 010	1 048
<i>Other comprehensive income (net of tax):</i>			
Gain/loss arising on hedging instruments designated in hedges of the net assets in foreign operation	5	-7 559	
Exchange differences on translation of foreign operations		8 261	41
Actuarial gains & losses		-	-
Total comprehensive income for the period		-308	1 089
Total comprehensive income is attributable to:			
Owners of Infront ASA		-308	1 089
Non-controlling interests		-	-



Consolidated statement of financial position

(unaudited)

(EUR 1.000)	Note	31.03.2020	31.12.2019
ASSETS			
Non-current assets			
Equipment and fixtures		2 903	2 947
Right-of-use assets	4	12 945	13 671
Intangible assets		171 370	173 987
Deferred tax asset	5	7 259	5 790
Pension assets		650	646
Receivables		139	192
Total non-current assets		195 266	197 234
Current assets			
Trade and other receivables		21 414	12 533
Cash and cash equivalents		23 305	18 703
Total current assets		44 719	31 236
TOTAL ASSETS		239 985	228 470



(EUR 1.000)	Note	31.03.2020	31.12.2019
EQUITY AND LIABILITIES			
Equity			
Share capital		459	458
Share premium		35 076	34 883
Share option program		398	317
Other equity	5	-7 641	-6 985
Total equity attributable to owners of the parent		28 292	28 673
Non-controlling interests		2 891	2 686
Total equity		31 183	31 359
Non-current liabilities			
Borrowings	5	102 406	101 757
Lease liabilities	4	10 795	11 283
Pension liabilities		8 742	8 659
Deferred tax liabilities		19 639	20 068
Other non-current financial liabilities		2 711	2 895
Total non-current liabilities		144 293	144 661
Current liabilities			
Borrowings		10 000	10 000
Current lease liabilities	4	2 468	2 643
Trade and other payables		40 546	29 333
Other current financial liabilities		1 437	3 316
Deferred revenue		6 370	4 759
Current tax liabilities		3 688	2 399
Total Current liabilities		64 509	52 450
Total liabilities		208 802	197 111
TOTAL EQUITY AND LIABILITIES		239 985	228 470



Consolidated statement of cash flows

(unaudited)

(EUR 1.000)	Note	Q1 2020	Q1 2019
Cash flows from operating activities			
Profit (loss) before tax		149	1 141
<i>Adjustments for</i>			
Taxes paid		-51	-147
Depreciation, amortisation and net impairment losses	4	3 393	865
Pension expense without cash effect		29	58
<i>Adjustments for interest expense</i>			
Interest expense including non-cash items*		1 919	33
Interest cash expense in the period*		-1 625	-
<i>Change in operating assets and liabilities</i>			
Change in trade receivable and other receivables		-8 970	-5 045
Change in provisions		-44	-
Change in deferred revenue		1 737	2 257
Change in trade and other payables		10 648	1 580
Net cash inflow from operating activities		7 187	742
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired		-	-
Payment for intangible assets		-225	-205
Payment for property, plant and equipment		-333	-68
Payment for software development cost		-733	-458
Net cash (outflow) from investing activities		-1 291	-731
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares		-	-
Proceeds from borrowings		-	-
Repayments of borrowings		-	-
Net proceeds from bond issuance		-	-
Repayments of lease liabilities	4	-838	-205
Net cash inflow from financing activities		-838	-205
Net increase/(decrease) in cash and cash equivalents		5 058	-194
Cash and cash equivalents 1 January		18 703	8 740
Effects of exchange rate changes on cash and cash equivalents		-455	100
Cash and cash equivalents 31 March		23 305	8 646



Consolidated statement of changes in equity

(unaudited)

(EUR 1.000)	Note	Share capital	Share premium	Share issue Not registered	Share Option program	Foreign exchange translation reserve	Retained Earnings	Attributable to the owners of the parent	Non-controlling interest	Total equity
Balance at 1 January 2019		279	11 273	-	103	-676	3 952	14 774	-	14 778
Profit/loss for the year							-10 730	-10 730		-10 730
Other income						1 427	-1 001	426		426
Acquisition of non-controlling interest								-	2 686	2 686
Share option program					214			214		214
Equity issue		179	23 610	196				23 985		23 985
Balance at 31 December 2019		458	34 883	196	317	751	-7 932	28 673	2 686	31 359
Profit/loss for the year							-1 215	-1 215	205	-1 010
<i>Net change in foreign exchange translation reserve in the period</i>	5					702		702		702
Acquisition of non-controlling interest								-		-
Share option program					132			132		132
Equity issue		1	193	-194				-		-
Balance at 31 March 2020		459	35 076	2	449	1 453	-9 147	28 292	2 891	31 183



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Accounting principles

General Information

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

The group is a leading market data and trading solution provider in Europe. The Infront terminal products are intuitive and flexible and offers financial markets participants global real-time market data, trading, news and analytics covering key markets. Infront also provides portfolio, advisory and regulatory solutions through the wholly-owned subsidiary vwd Group. In addition, the group comprises the leading financial news agencies in Sweden and Norway.

These consolidated financial statements have been approved for issuance by the Board of Directors on 14 May 2020.

Basis of Preparation

The interim consolidated financial statements for the first quarter 2020 ending 31 March 2020 were prepared in accordance with IAS 34 Interim Financial Reporting. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual report for 2019.

The accounting policies adopted in the interim financial statements are consistent with the standards and interpretations followed in the preparation of the group's annual financial statements for the year ended 31 December 2019 except for the principles on hedge accounting presented in Note 5.

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



Note 2. Segment information

Operating segments

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

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

Segment information Q1 2020

(EUR 1000)	Infront Solutions and terminal	vwd Group	News and other	Eliminations	Consolidated
Revenue					
External customers	8 792	17 448	1 477	-	27 717
Inter-segment	2 475	-	-	-2 475	-
Total revenue	11 267	17 448	1 477	-2 475	27 717
EBITDA	185	3 038	481	-	3 704
inter-segment	-742	170	572	-	-
Total assets	104 867	131 064	4 054	-	239 985
inter-segment	70 563	170	1 449	-72 182	-
Total liabilities	132 583	73 003	3 216	-	208 802
inter-segment	24 501	46 664	131 884	-203 049	-
Depreciation and amortisation	790	2 526	77	-	3 393
inter-segment	-128	-	-146	274	-



Segment information Q1 2019

(EUR 1000)	Infront Solutions and terminal	News and other	Eliminations	Consolidated
Revenue				
External customers	9 346	1 414	-	10 760
Inter-segment	3 008	256	-3 264	-
Total revenue	12 354	1 670	-3 264	10 760
EBITDA	1 584	258	-	1 842
inter-segment	-772	772	-	-
Total assets	44 015	3 321	-	47 336
inter-segment	21 604	794	-22 398	-
Total liabilities	29 352	2 066	-	31 418
inter-segment	-21 391	-25 920	-47 311	-
Depreciation and amortisation	853	12	-	865
inter-segment	-138	-156	294	-

Disaggregation of revenues

Financial professionals across Europe and South Africa rely on Infront for global real-time market data, trading, news, and analytics. With the recent acquisition of vwd Group, Infront's product coverage also includes data and feed solutions, portfolio management and advisory solutions, regulatory compliance solutions as well as publication and distribution solutions. The group's total revenue is disaggregated by major revenue streams by geographical areas and by product segments shown in the tables below.

The group's revenue are subscription based revenues which consist of: terminal subscription, data and financial news subscription revenues which were obtained on a regular monthly (up to annual) basis and recurring; solution subscription revenue which was obtained by the time of delivery of service with inclusion of the initial entrance service and thereafter become regular recurring subscription revenue.

Contract assets and liabilities vary to an extent throughout the reporting period. 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.

Revenue by region

(EUR 1000)	DACH	Nordic Region	Other regions
Q1 2020	14 589	6 575	6 553
Q1 2019	-	6 738	4 022



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

Revenue by product group

(EUR million)	TS	FS	PAS	PDS	RCS	OS
Q1 2020	12.3	3.6	2.8	4.3	1.6	3.2
Q1 2019	7.6	1.8	0.0	1.4	0.0	0.0

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

Terminal Solutions (TS)

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

Feed Solutions (FS)

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

Portfolio and Advisory Solutions (PAS)

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

Publication and Distribution Solutions (PDS)

Infront Publication and Distribution Services provides solutions around the media market. Our News Service helps its customers to better understand the movements of markets and reviews professional and social media news. Our clients can utilize our news-research from brokers and independent research providers to



support their investment strategy. Infront, through its vwd Listing and Publishing services, also supports media companies and asset managers who publish fund and market performance information with our pre-formatted financial product performance and documentations. We also provide a module-based web manager so our clients can create custom fund and market performance portraits that they can use for print or online publication purposes.

Regulatory and Calculation Solutions (RCS)

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

Other Solutions (OS)

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

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

Note 3. Number of employees

Number of employees (full-time equivalents) at the end of the first quarter was 525 in 2020 and 143 in 2019.



Note 4. Right-of-use assets and lease liabilities (IFRS 16)

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

Right-of-use assets

(EUR 1.000)

Acquisition cost 1 January 2019	4 803
Currency translation differences	-52
Additions	3 469
Change in consolidation group	7 687
Acquisition costs 31 December 2019	15 906
Currency translation differences	-397
Addition of new contracts	40
Change in current contracts	326
Change in consolidation group	-
Acquisition costs 31 March 2020	15 875
Accumulated depreciation and impairment 1 January 2019	-
Currency translation differences	-10
Depreciation	-2 225
Accumulated depreciation and impairment 31 December 2019	-2 235
Currency translation differences	70
Depreciation	-765
Accumulated depreciation and impairment 31 March 2020	-2 930
Total right-of-use assets as of 31 December 2019	13 671
Total right-of-use assets as of 31 March 2020	12 945



Lease liabilities

(EUR 1.000)

At initial implementation 1 January 2019	4 803
Currency translation differences	-55
New lease liabilities in the period	3.469
Leasing payments for the principal portion of the lease liability	-2 393
Interest expenses on lease liabilities	325
Change in consolidation group	7 778
Total lease liabilities at 31 December 2019	13 926
Currency translation differences	-344
New lease liabilities in the period	40
Change in current contracts	349
Leasing payments	-838
Interest expenses on lease liabilities	130
Change in consolidation group	-
Total lease liabilities at 31 March 2020	13 263
Whereof:	
Current lease liabilities within 1 year	2 468
Non-current lease liabilities over 1 year	10 795

IFRS 16 effects on the income statement Q1 2020*

(+) positive effect (-) negative effect

(EUR 1.000)

Depreciation	-765
Leasing payments for the principal portion of the lease liability	826
<i>Effect on Operating profit in the period</i>	61
Interest expense on lease liabilities	-133
<i>Effect on profit before income tax in the period</i>	-72

* translated with average rate



Note 5. Hedge accounting

Background

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

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

Accounting principles

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

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

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

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

Description

The group has applied hedge accounting for the hedge of the net investment in the vwd group. The hedging objective is the net investment in the vwd group and hedge instrument is EUR 60 million of the group's EUR bond amounting to EUR 102.4 million presented as Borrowings under Non-current liabilities in the statement of financial position. The effective part of the fair value change of the hedging instrument in the period (EUR 9.5 million) has been recognized in the Other Comprehensive Income.



Foreign exchange translation reserve	2019
Balance at 1 January	751
Gain/loss arising on changes in fair value of hedging instruments designated in net investments hedges	-9 447
Income tax relation to gains/losses on hedges of net assets in foreign operations	1 888
Exchange differences on translating the net assets of foreign operations	8 261
<i>Net change in foreign exchange translation reserve in the period</i>	<i>702</i>
Balance at 31 March	1 453
Of which:	
Balance related to continuing net investment hedges	-7 559
Balance related to retranslation of net assets in foreign operations	9 012

Note 6. Subsequent events

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

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



DEFINITIONS AND GLOSSARY

Alternative Performance Measures and certain terms used

The group's financial information in this interim report is prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the group presents certain non-IFRS financial measures/alternative performance measures (APM):

- EBITDA represents operating profit before depreciation, amortization and impairment
- Adjusted EBITDA represents EBITDA adjusted for non-recurring items such as M&A and restructuring-related costs
- Recurring subscription revenue represents operating revenue from the group's subscription-based and volume-based products.

The non-IFRS financial measures/APM presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles) as a measure of the group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The non-IFRS financial measures/APM presented herein may not be indicative of the group's historical operating results nor are such measures meant to be predictive of the group's future results.

The Company believes that the non-IFRS measures/APM presented herein are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation amortization and impairment which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred) business practice or based on non-operating factors. Accordingly, the group discloses the non-IFRS financial measures/APM presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies and across periods and of the group's ability to service its debt. Because companies calculate the non-IFRS financial measures/APM presented herein differently the group's presentation of these non-IFRS financial measures/APM may not be comparable to similarly titled measures used by other companies.

The non-IFRS financial measure/APM are not part of the Company's Consolidated Financial Statements and are thereby not audited. The Company can give no assurance as to the correctness of such non-IFRS financial measures/APM and investors are cautioned that such information involve known and unknown risks uncertainties and other factors and are based on numerous assumptions. Given the aforementioned uncertainties prospective investors are cautioned not to place undue reliance on any of these non-IFRS financial measures/APM.

For definitions of certain terms and metrics used throughout this interim report see the table below.

The following definitions and glossary apply in this interim report unless otherwise dictated by the context.



APM	Alternative Performance Measure as defined in ESMA Guidelines on Alternative Performance Measures dated 5 October 2015
group	The Company and its subsidiaries
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards as adopted by the EU
Interim Financial Statements	The group's unaudited financial statements as of and for the three months period ended 31 March 2020
M&A	Mergers and acquisitions

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