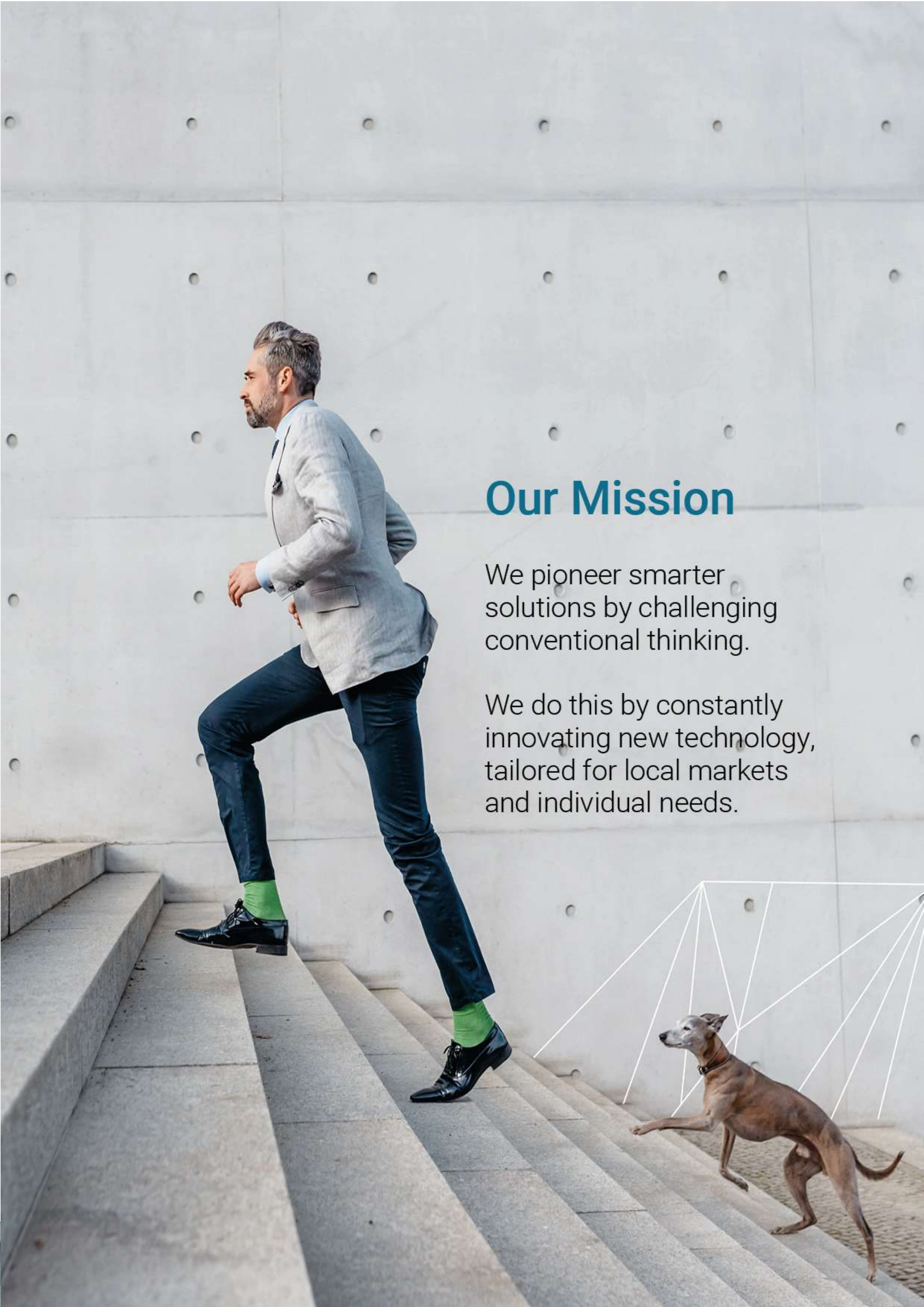
# ANNUAL REPORT 2021



# Our Mission

We pioneer smarter solutions by challenging conventional thinking.

We do this by constantly innovating new technology, tailored for local markets and individual needs.

# Introduction

## Exceeding expectations

The financial technology space has been transforming significantly over the last decade. Infront has been on the crest of this wave, strengthening our market position across Europe. With our modular platform approach and our extensive client base to build on, Infront has great potential for continued growth over the coming years.

Key to our success is of course understanding our customers' business. The needs of financial institutions have changed as the industry has become increasingly digitized. Customers are looking for vendors that are flexible in delivering innovative solutions that do not require a high service element. They want solutions that are customizable and easily integrated into their incumbent systems and scalable so that their solutions can grow with them.

A recent market survey shows that Infront is perceived by customers as providing a quality product at a competitive price. Infront will continue to deliver on those expectations, leveraging the added value we provide as perceived by our users including "tried and trusted" solutions, ease of use, quick implementation and easy integration with other systems, and extensive expertise and local support.

# Infront at a glance

**>500** employees

Established in **1998** in **Norway**

Located in **13** countries

More than **3,600** customers

Revenue **€121 M**

**2021** Delisted from Oslo Stock Exchange
Acquired by Inflexion
Acquires Oslo Market Solutions

**2020** Acquires NBTrader

**2019** Acquires vwd group

**2018** Acquires Market Connect Italy

**2017** Acquires Inquiry Financial
Office in Helsinki
Listed on the Oslo Stock Exchange

**2016** Acquires TDN Finans
First office outside Europe: Johannesburg

**2015** Office in London

**2014** Exceeds 10.000 users

**2012** Acquires Infinancials with office in Paris

**2008** Acquires News Agency Direkt

**2005** Office in Stockholm

**2004** First office outside Norway: Copenhagen

**2003** Exceeds 1.000 users

**2001** Electronic trading features

**1999** Public launch

**1998** Infront established

**Our value proposition**

*Infront is a leading provider of display, trading and portfolio management software and data for financial institutions and investors in Europe. We support our customers' commercial success through best-in-class functionality for their business needs. Furthermore, Infront solutions are intuitive, scalable, and easily integrated with other systems, giving our customers excellent connectivity for a smooth workflow, ease of use and lower cost of ownership.*

# New perspectives for continued growth

In June 2021, Infront was acquired by private equity firm Inflexion and delisted from the Oslo Exchange. Partnering with the Inflexion team will enable us to reach a new stage in the company's growth and development.

In order to grow sustainably, we aim to better understand the needs of our customers: what do they want, how do they feel about our products, how do they use them, how we can help them manage their daily work by utilizing several Infront products simultaneously. We will define our product strategy to be responsive to the needs of our target segments and invest in product development through acquisitions as well as inhouse development. Building on our strong heritage and more than 3000 clients in Europe we believe we can improve our offerings by partnering with our customers.

Leveraging Inflexion's expertise, we will accelerate our acquisition strategy, focusing on consolidating smaller providers across Europe and generating cost synergies. Through M&As we can shorten our time to market and defend those parts of our offering where we aim to become stronger.

Infront's organic growth is on a positive trajectory, as shown by the numbers in 2021. Group revenue increased by 5.7% to EUR 121.0 million, while adjusted EBITDA increased by 14.1% to EUR 24.3 million. Looking forward, our existing customer base offers a huge opportunity for cross-selling. We are also looking at adding more resources on our top accounts where we can support more of the customers' business needs and significantly expand our share of wallet.

With Inflexion's fresh input and the take private of Infront, we are in the position to reset our view of what we do well and what we can do better from an outside in perspective. We are using a data-driven approach to understand what the market thinks of our solutions and will create a relevant strategic roadmap for the coming 5 years. Our ambitions are high, but I am confident that we have what is needed to get there.

Zlatko Vucetic

**Zlatko Vucetic**
**CEO**

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# BOARD OF DIRECTORS REPORT

## 1 INTRODUCTION

On December 15, 2020, Inflexion Private Equity Partners LLP announced that it would offer to acquire all outstanding shares of Infront through a voluntary cash offer. The subsequent M&A process resulted in an offer price of NOK 40.00 per share on March 1, 2021. Inflexion Private Equity Partners LLP intended to delist Infront from the Oslo Stock Exchange. Closing of the transaction was expected to take place in the second quarter 2021.

In order to achieve this goal, the Board of Directors of DASH BidCo AS, an Inflexion company, resolved a compulsory acquisition of all shares in Infront not owned by the company itself, to be effective from after close of trading on Oslo Børs on June 16, 2021. Consequently, DASH BidCo AS automatically assumed ownership of the shares that were subject to compulsory acquisition, and Dash BidCo AS is owner of 100% of the shares in the Company as of the following day.

Following the compulsory acquisition on June 17, 2021, Infront held its annual general meeting. All resolutions were unanimously approved, including, inter alia, the election of a new board of directors and the resolution to apply for delisting of the shares in Infront from the Oslo Stock Exchange.

Accordingly, Infront applied for a delisting of its shares from the Oslo Stock Exchange. Oslo Børs decided to delist the shares of Infront AS from trading as of June 28, 2021. The last day of listing was June 25, 2021.

With Inflexion's track record in developing first-rate technology and data companies together with their M&A experience Infront Group will take a huge step forward scaling its business. This will enable us to reach a new stage in the company's growth and development.

The Inflexion team will use its experience in M&A to support the management team to accelerate their acquisitive growth ambitions and deliver synergies from recent acquisitions, whilst continuing to invest to grow the business organically.

On October 10, 2021, Infront AS successfully printed a new EUR 130 million senior secured 5-year bond issue with a coupon of 3M Euribor + 425 bps. The transaction was substantially oversubscribed, and the net proceeds from the bond issuance was used to refinance existing debt (including the outstanding bonds with ISIN NO0010850613) and for general corporate purposes.

Also, the year 2021 was always going to be a transitional one for Infront, with significant integration work on the agenda. This effort is still affected by the COVID-19 outbreak in 2020. Travel between offices has been more- or- less impossible, and the same goes for having physical meetings with current and prospective clients. Despite the circumstances, Infront Group managed to realize a significant portion of the planned cost synergies and maintained its gross revenues.

Product migration to our preferred solutions went on and will gain further traction in 2022. The front-end oriented phase of the integration project will be more demanding than the initial pure cost-savings phase. Many of the future workflows are inter-connected and several cost-savings will be realized only after customers have been moved from one solution to another. The second integration phase is thus key to position the company for high single-digit organic growth, following a period of aggressive M&A growth.

In order to remain successful, Infront Group needs to be at the forefront of the latest changes and continuously deliver outstanding value to its customers. In addition to the development of a user friendly front-end we are we working intensively on building a common technical backbone for the entire group - with the main goal: creating ONE Company, from a technological and cultural perspective, as well as from an organizational view.

# 2 OPERATIONS

## 2.1 Corporate Overview

Financial professionals across Europe and South Africa rely on Infront for flexible financial market data solutions. We serve more than 3,600 customers with over 90,000 professional users. With support for their complete workflow, financial professionals can manage investment decisions, reduce costs, adapt to fast changing market requirements, and work more efficiently with ever-increasing amounts of information.

Approximately 500 employees in more than 10 countries apply their expertise to meet the challenges of our clients, ensuring they continuously receive the best solutions and services.

## 2.2 Products

Infront products and solutions cover a broad landscape of financial industry segments, including wealth management, asset management, investment banking, digital banking, treasury, audit and consulting, risk, compliance, and valuation as well as financial media.

Our customers gain a clear advantage in being able to work with product solutions that cover the entire investment management value chain, from financial product issuance, market and instrument comparative analysis, portfolio construction, execution, market conformity, risk and valuation, portfolio management and communication to investors and customers.

## 2.3 Customers

We operate close to our customers: we speak their language, we understand the local financial markets they compete in, and we provide the data and solutions to support them as they face rapidly changing market conditions and evolving regulatory demands. When talking to our clients, they highlight numerous challenges, boiling down to three main topics: digital transformation, cost optimization, and compliance to regulations. In order to succeed in this environment, they need a partner with strong local market expertise and broad coverage. Infront is here to help in each of these areas.

Infront's solutions are now used by more than 3,600 customers with over 90,000 professionals.

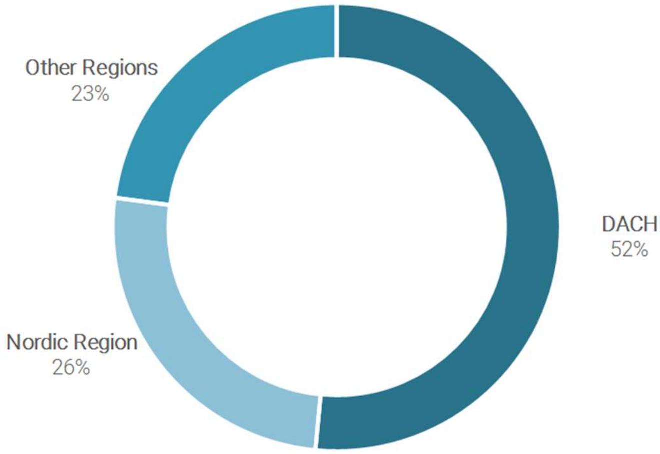
## 2.4 Markets

We have ambitious plans to accelerate our growth in European markets, offering our complete range of products in both countries where the company already enjoys considerable market share, as well as in countries that we have identified as having strong potential for growth including the UK, Switzerland, and Luxembourg. Our sales and marketing efforts reach even further, covering the Baltics and Eastern Europe as well as countries in Southern Europe and beyond.

## 2.5 Operational Review

### 2.5.1 Revenue distribution per region

The consolidated revenue distribution per region of markets and Infront's subsidiaries was as follows.




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

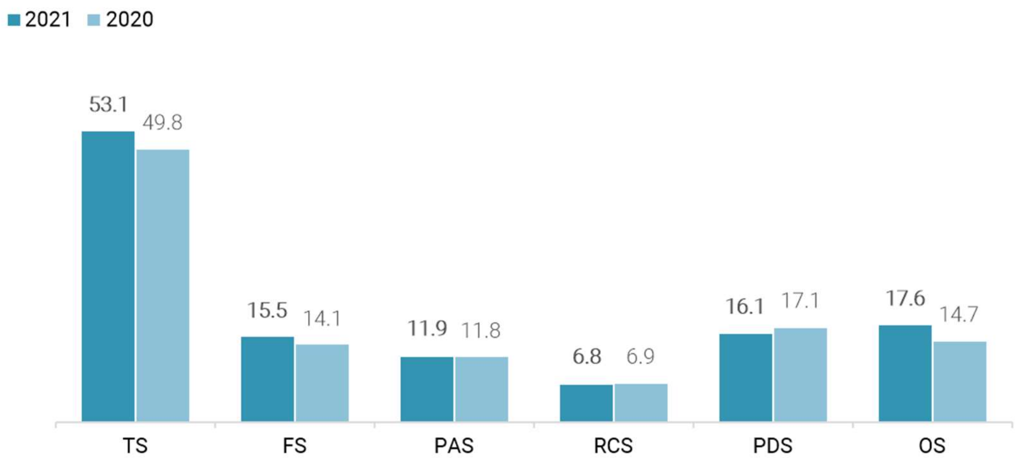
Nordic Region – includes markets and subsidiaries in Norway, Sweden, Finland and Denmark.

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

### 2.5.2 Revenue per product group

Infront categorizes its products into six groups: Terminal Solutions (TS), Feed Solutions (FS), Portfolio and Advisory Solutions (PAS), Regulatory and Calculation Solutions (RCS), Publication and Distribution Solutions (PDS) and Other Solutions (OS). See Note 7 Revenue for detailed information.

(EUR million)



### 2.5.3 Product Development

During 2021, an ESG module was made available in Infront's market data and analytics display solutions, portfolio management system and advisory products. This was done using Web Toolkit technology.

The Infront Professional Terminal can boast an improved Corporate Debt Module, now including additional credit ratings for issues and issuers, as well as bond reference data. Bond pricing data from more than 20 contributors has been added, and the Debt Maturity profile helps to visualize outstanding bonds and their respective characteristics. Further developments include ESG risk scores in the Bond and Fund Overviews. Charting was improved with the addition of yield curve spreads in curve charts and dynamic focus lines for bids & asks for illiquid instruments.

Web Toolkit SDK was released for developers to connect directly to our market data and trading servers when implementing Web Toolkit. The SDK Sandbox allows developers to categorize, save and share code snippets.

A redesign of the Investment Manager Quick Search and of the application in general, harmonizes the UX experience with other Infront products. The ability to configure performance columns, charting time periods and dashboard overlay templates allow for additional customization among individual users. Sharing information has been improved with the ability to import & export alerts. Print settings were substantially enhanced for setting logos, headers & footers as well as making pdf portraits available for various instrument types.

Infront Help Centre went live with user documentation for these products:

- Infront Professional Terminal
- Infront Investment Manager – Context specific help also available from the application
- Infront Data Manager Regulatory
- Compass Module for Investment Manager
- Infront Portfolio Manager
- Infront Advisory Solution
- Portfolio Sync Interface
- Infront Template Manager
- Excel Add-In
- Infront Analytics Platform
- Infront Data Manager Connect
- Infront Data Manager XML

LIBOR Transition to support our clients with the LIBOR cessation end of 2021, we onboarded risk-free rates and derivatives data to our display and feed products. We created multiple overview pages to help users navigate the new data and upcoming changes.

## 2.6 Financial Summary

### 2.6.1 Group Profit and loss

Infront's operating revenue increased by 5.7% to EUR 121.0 million in 2021 (2020: EUR 114.5 million). Infront generates most of its revenue from recurring subscription contracts.

2021 reported EBITDA was EUR 21.7 million (2020: EUR 19.3 million). Realizing continued synergy capture and other one-off cost effects, adjusted EBITDA was at EUR 24.3 million compared to adjusted EBITDA of EUR 21.3 million in 2020.

Cost of services rendered for 2021 was EUR 39.2 million (2020: EUR 37.9 million).

Employee-related expenses were EUR 46.4 million compared to EUR 44.3 million in 2020. Adjusted for the early cancellation of the option share program due to the acquisition of Infront and for integration-related costs of EUR 1.7 million, salary and personnel costs amounted to EUR 44.7 million. The Group employed 510 FTEs at the end of 2021 compared to 479 FTEs end of 2020.

Other operating expenses were EUR 13.7 million in 2021 (2020: EUR 13.0 million).

Net financial expense was EUR 10.9 million in 2021 (2020: net financial expense of EUR 7.2 million) and reflects the increased costs due to the redemption of the bond.

Income tax expenses for the period was EUR 0.9 million (2020: income tax expenses EUR 2.4 million).

Net loss for the year was EUR 2.7 million (2020: net loss EUR 3.4 million).

### 2.6.2 Group Financial position

Total assets decreased by EUR 1.7 million to EUR 218.7 million at the end of 2021.

The combined book value of Intangible assets and equipment and fixtures amounted to EUR 171.1 million compared to EUR 172.9 million at the end of December 2020. Right-of-use assets at the end of 2021 amounted to EUR 8.9 million (31.12.2020: EUR 10.7 million). For detailed implementation of IFRS 16 refer to Note 24 Leasing in this report.

Trade and other receivables were EUR 15.0 million at the end of 2021, compared to EUR 12.0 million at the end of December 2020.

At the end of 2021 the cash position was EUR 17.4 million, compared to EUR 18.4 million at the end of 2020.

Total non-current liabilities were EUR 160.8 million (31.12.2020: EUR 140.7 million) and reflects the increase due to the net proceeds from the bond issuance in the amount of EUR 25.0 million.

Current liabilities at the end of 2021 were EUR 42.2 million, compared to EUR 49.7 million at the end of 2020. The main effect on current liabilities was the repayment of the revolving credit facility (RCF) of EUR 10.0 million and the increase of other personnel related liabilities.

### 2.6.3 Group cash flow

Net cash flow from operating activities was positive at EUR 4.4 million in 2021 (2020: positive EUR 9.4 million). Movements in net working capital reduced cash flow by EUR 3.1 million.

Net cash flow from investing activities was negative at EUR 6.8 million (2020: negative EUR 6.3 million). Investments were related to acquisition of Oslo Market Solution (OMS) at EUR 2.6 million (after partial offset by cash balance acquired in OMS), IT equipment and software license expenditures of EUR 1.6 million and investments in software development of EUR 2.5 million.

Net cash flow from financing activities was positive at EUR 2.0 million (2020: negative EUR 3.6 million). The financing cash flow reflects the repayment of the revolving credit facility (RCF) and the net proceeds from the bond issuance, the repayment of option shares of EUR 4.9 million as well as dividend payments, repayments of lease liabilities and payments related to the acquisition of assets from SIX in prior years.

### 2.6.4 Infront AS

Infront AS (the parent company) is the operational entity responsible for the development, sales and maintenance of the Infront terminal and retail trading solutions products. Infront AS's operating revenue increased by 25.7% to NOK 307.5 million in 2021 (2020: NOK 244.6 million).

Total Operating expenses rose by 16.5% to NOK 303.2 million (2020: NOK 260.4 million). Adjusted for M&A-related costs of NOK 15.0 million (2020: NOK 7.6 million), total operating expenses amounted to NOK 288.2 million (2020: NOK 252.8 million).

Infront AS reported a loss before tax of NOK 55.2 million (2020 loss: NOK 76.7 million), a decrease of NOK 21.5 million for the year. Loss before tax adjusted for M&A transaction related costs was NOK 40.2 million (2020: Loss before tax NOK 69.1 million).

Net cash flow from operating activities in 2021 was NOK 78.8 million (2020: NOK -128.7 million). Net cash flow from investing activities was NOK -49.1 million in 2021 (2020: NOK -10.2 million). Investments were related to acquisition of Oslo Market Solution (OMS) at NOK 41.1 million and investments in software developments. Net cash flow from financing activities was positive at NOK -33.6 million (2020: positive NOK 100.9 million) and mainly reflected proceeds from bond, loan to subsidiaries and cash pooling. Infront AS's cash position at the end of 2021 was NOK 3.2 million (2020: NOK 7.0 million). The equity ratio of Infront AS was 7.7% at the end of 2021 (2020: 14.8%).

## 2.7 Going Concern

In accordance with the Norwegian 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 2022 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

## 2.8 Risk Factors

Infront is exposed to currency risk. Both revenue and operating expenses are subject to foreign exchange rate fluctuations, with EUR, SEK and NOK representing a significant part of revenues. However, the group has a built-in natural hedge from local offices where customers are billed in local currencies, and costs (salaries and data) are for a large part incurred in the same currencies. Infront did not enter into contracts or any other agreements to reduce its currency risk, and thus its operational market risk, in 2021. For a foreign currency sensitivity test and more details refer to Note 20 Financial risk management.

### 2.8.1 Credit risk

The risk of losses on receivables is considered low. Refer to Note 20 Financial risk management for more details.

### 2.8.2 Liquidity risk

The Board of Directors considers Infront's liquidity to be solid. Refer to Note 20 Financial risk management for more details.

### 2.8.3 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, acquisitions and by being adaptive to changing markets and by focusing on its core strengths: delivering great technology and customer-driven innovative solutions.

### 2.8.4 Data centre risk

Infront's services are dependent on the continuous operation of computers and telecommunication equipment, hosted in data centres in Frankfurt/Main, 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 provides 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.

## 2.9 Dividend payment

Infront expects to create value for its shareholders by increasing group revenues and improving long-term profitability. Infront aims to generate a competitive return on invested capital relative to the underlying risks for its shareholders. 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 2021 due to the outstanding EUR 130 million bond, which was issued to refinance the bond acquisition in 2021.

## 2.10 Future outlook

The Board of Directors is positive about Infront's long-term future. It also believes that the company's business model and value proposition make it more than resilient enough to tackle the turbulent times ahead in 2021 and beyond.

Most of the immediate cost synergies have already been captured after the closing of the acquisition of the vwd group in 2019, while others will be realized over the next coming quarters. In the long-term, the company's target remains to continue its growth path through a combination of organic and strategic growth initiatives.

Infront is dedicated to continuing the delivery of efficient and user-friendly solutions to its clients, while regularly offering new and innovative products that can provide end-users with an extra edge. We aim to be the smart choice for professionals, offering state-of-the-art features, while also emerging as a viable alternative to our largest competitors. The latter will be accomplished through targeted product development, carried out in close cooperation with clients, while also proactively adapting to our fast-paced market environment.

# 3 SUSTAINABILITY

## 3.1 Working towards a sustainable business

The success of our business and living up to our Environmental, Social and Governance (ESG) responsibility are two inseparable corporate goals. Our commitment to ESG is critical to the continuity of our business and our reputation as a trustworthy business partner.

Sustainable finance refers to the process of taking ESG considerations into account when making investment decisions, leading to long-term investments in sustainable economic activities.

As an actor in the financial sector and a provider of financial market solutions, Infront's role in the sustainable finance agenda is to offer products and services that feed our clients with insight that enables them to make sustainable decisions. In other words, our main positive impact is provided through our product offerings. More specifically, with the Infront ESG Module, we enable our clients to integrate sustainability and optimize impact into their investment decisions and recommendations.

Following the acquisition by Inflexion, our ESG-related work has been lifted significantly, with a Shareholders' Agreement committing us to a more integrated approach to ESG and a Value Creation Plan for the business integrating ESG as a key component.

## 3.2 Business Ethics

Responsible and ethical behaviour towards colleagues, business partners and society at large are at the heart of our value system. The Infront Code of Conduct aims to prevent situations which could call into question the integrity of our actions and undermine our customers' trust in our services. The Code of Conduct covers numerous areas from the protection of personal data and confidential information to customer communication to gifts and entertainment.

Further, we are in the process of implementing whistleblowing tools and policies in order to strengthen our efforts to identify and combat unethical behaviour.

## 3.3 Technology, Data Protection & Compliance

Infront takes GDPR regulations very seriously and strives to comply in every instance throughout the business, from IT security to HR to marketing. By initiating a state-of-the-art HR tool, we ensure a professional and GDPR-proof handling of all job applications. All personal data gathered for marketing and customer care is carefully managed, used, and stored according to regulations.

## 3.4 Impact Along the Value Chain

Infront is in the process of establishing a Central Procurement Department, responsible for the centralized purchasing of services, hardware, software, and data for the entire company. The Central Procurement Department will be responsible for the selection of suppliers, management of supplier contracts, including reporting to suppliers and compliance with supplier regulations, as well as data content and permissioning.

The centralization process aims to systematically implement common guidelines and rules for the general procurement of data and IT throughout the entire group. A consolidated approach facilitates transparency in purchases throughout the organization, and gives a better overview, both from an economic perspective but also environmentally and socially. This will enable the individual entities and departments at Infront to set general requirements to all suppliers regarding expectations to business ethics, integrity, human rights, management, use of personal data and environmental practices. The development of a supplier self-assessment questionnaire covering important ESG factors will be a first step into this direction.

## 3.5 Environmental Impact

The nature of Infront's operations suggests a rather limited environmental impact. Nevertheless, we want to reduce our carbon footprint to a minimum.

With offices in 13 different countries and customers spread even wider, travel is naturally part of Infront's business. With the onset of COVID-19 in early March, virtually all business travel by Infront employees stopped during 2020 – a development that continued through 2021. However, even in "normal" years without the pandemic, the group aims to keep travel at a minimum through the active use of video conferences and other tools that facilitate cooperation between the different geographical entities.

Infront also seeks to minimize its environmental impact through the active management of energy consumption on servers and other hardware that the Group utilizes. Several initiatives have been put in place to reduce energy consumption, including:

- Four data centres were consolidated into central data centres. During this consolidation, we invested in new and more energy-efficient hardware. The overall result is more computing-power per kWh;
- Infrastructure consolidation within the data centres has resulted in a decrease in overall hardware footprint;
- Virtualizing environments to make better use of the available computing power has resulted in a smaller hardware footprint;
- Migration and consolidation of systems and applications have also resulted in a smaller hardware footprint.
- Certain workloads have been moved to the cloud (IaaS and PaaS), benefitting from elastic workloads, scaling down during night and weekends;
- More use of cloud SaaS solutions, like Office 365 as a shared cloud environment for collaboration to bring down Infront's infrastructure footprint for administrative services such as email, file sharing, telephony, Teams etc.

Environmentally sustainable behaviour at each of the Infront offices is also strongly encouraged. Employees should attempt to protect natural resources in their work and ensure that Infront's business activities have the lowest possible impact on the environment through material savings, energy-saving planning and the reduction and recycling of waste. When selecting suppliers, advertising materials or other external services, every employee should consider not only economic aspects but also ecological and social criteria. Continuous small improvements in our daily routines add up to significant results. Examples of these initiatives include switching to tap water in conference rooms instead of using bottled water and purchasing environmentally friendly promotional products.

Looking forward, Infront will quantify the environmental impact by increasing measurements and reporting of environmental data. Further, we will develop targets and measures for further reducing energy usage, emissions and waste.

## 3.6 ESG in Product Offerings

Infront has a positive impact on ESG through our product offerings, which provide our clients with insights to make sustainable investment decisions. The Infront ESG Module supports our clients in the entire ESG process. The module integrates sustainability risks and opportunities into our client's investment decisions and recommendations.

The Infront ESG Module gives our clients a seamless sustainability analysis and reporting of investment portfolios, with powerful screening, analysis and benchmarking capabilities. Detailed ESG Risk Scores for more than 30.000 companies, 200.000 funds and 400 governments coupled with impact, exclusion and regulatory data give our clients the extensive coverage they need. Including quality data & science-based methodology sourced from more than 65 data providers, and one unified way of measuring ESG making it easy to compare investments and portfolios.

The Infront ESG Module provides our clients with:

- The largest ESG database in the industry;
- Sustainability evaluations built on science-based methodology;
- Professional customer reports;
- Unique datasets related to Climate, UN Sustainable Development Goals and the EU Taxonomy;
- Screening, analysis, and monitoring;
- Reporting and pre- and post-trade compliance.

## 3.7 Diversity, Inclusion, and Gender Equality

Infront endeavours to ensure equal opportunities and rights, and to prevent discrimination due to gender, age, ethnicity, national origin, descent, skin colour, language, religion, faith, sexual orientation, or physical challenges. We ensure a transparent recruiting process that reaches out to a diverse audience, aiming for the inclusion of all.

The company prides itself on being an international organization, where innovation and teamwork take place across borders and time zones. At the end of 2021, Infront had employees representing 31 nationalities (2020: 28).

Infront works continuously to improve the gender balance in the company. At the end of 2021, 26.1% (2020: 25.3%) of the staff were women. Out of people with leadership responsibilities, about 30% were women.

## 3.8 Employee Engagement

Infront strives to offer a safe, healthy, and innovative work environment. We cultivate an informal and relaxed work culture based on mutual trust, respect, and cooperation, where contributions are recognized, and achievements are celebrated. This creates an atmosphere of acceptance and comradery where employees can develop and thrive.

The well-being of our employees is of great importance to us. To ensure this, we offer various healthcare, well-being and recreation measures in all our locations.

All employees are expected to comply with safety and health regulations that apply to the business activities. Infront emphasizes the importance of a healthy work-life balance and supports home office facilities.

## 3.9 Community Engagement

Infront contributes to our surrounding communities, and one of our core values is "Stronger Together". Considering the recent humanitarian crisis unfolding in Ukraine, we would like to support Ukrainian refugees during this difficult time. We have job opportunities in several European countries, and we are prepared to support a fast-track application process for qualified applicants from the Ukraine who are urgently seeking jobs.

In this context we offer the following:

- Visa sponsorship and relocation to one of our locations in Oslo, Frankfurt or Amsterdam;
- Flights to Oslo, Frankfurt or Amsterdam for the candidates and their immediate family;
- Return flights back to Ukraine whenever they are ready to go home (optional);
- Competitive salary benchmarked to the local market.

## 3.10 Our Way Forward

In order to further integrate ESG into our business, Infront will work systematically with our sustainability efforts. We aim to:

- Continue developing the Infront ESG Module and assist our clients in the process of integrating ESG aspects into their investment decisions and recommendations;
- Carry out a materiality assessment to further develop and prioritize our ESG focus areas with clear targets and measures towards a sustainable business;
- Develop a sustainable procurement strategy including a Supplier Code of Conduct;
- Commit to recognized standards for structuring and materializing our sustainability efforts and impacts on social, environmental and governance topics.

# 4 MANAGEMENT TEAM

## Chief Executive Officer, Zlatko Vucetic

Zlatko Vucetic has extensive experience in leading and developing firms in the finance and software industries. Before joining Infront, Vucetic held the position of CEO at FocusVision, a leading global data analytics provider based in New York. Prior to that, Zlatko spent almost a decade with Saxo Bank where he held several senior and executive positions. He has also worked with several PE and VC software firms globally. Vucetic holds an MBA in International Marketing and Management from Copenhagen Business School.

## Chief Technology Officer, Anna Almén

Anna Almén has held various positions in the Swedish financial technology sector as well as working with start-up organisations going through exponential growth. Most recently, she held the position of CTO of eCommerce at Worldline following the merger with the start-up company Bambora where she had a key role in the technology leadership. She has also worked for many years for companies in the trading segment including Nasdaq OMX. Anna earned her Master's Degree in Computer Science at KTH Royal Institute of Technology.

## Chief Financial Officer, Eli Cathrine Disch

Eli Cathrine Disch joined Infront on February 1, 2022. Eli has extensive experience in building tech organizations for growth organically and through M&As. After earning her business degree at The American University in Paris, Eli worked in both advisory and finance roles in France and in Norway, and later for PricewaterhouseCoopers in Hungary. In 2000, she moved back to her native Norway to get her MBA. Since then, Eli has held various positions in the Norwegian tech sector, first as a strategy consultant in PwC and then as CFO for scale-up tech companies at Questback, Buypass, and most recently Basefarm, in addition to holding non-executive positions on the boards of Ambita and Documaster.

## Chief Marketing Officer, Mark Baker (since 1 April 2022)

Mark Baker has spent his entire career in B2B software, most recently as Vice President of Marketing Transformation at Infor. Prior to that, he was Chief of Staff to the CMO for EMEA & APAC at Oracle, driving the transformation of marketing teams, processes and metrics across those regions. Mark Baker earned his degree in Applied Mathematics and Computer Science at the University of Waterloo, Canada.

## Chief Revenue Officer, Berry Clemens (since 1 April 2022)

Berry Clemens has valuable experience in building strong, customer-focused sales organizations in international B2B software companies. He has held various positions in sales management, most recently as Vice President of International Sales for Talentsoft and before that as Sales Leader for Northern Europe at Oracle. Berry earned his Bachelor of Science at The Hague University of Applied Sciences.

## Chief Product Officer, Udo Kersting (former Chief Sales Officer)

Udo Kersting joined Infront from vwd. Udo is responsible for the development of Infront's product vision and roadmap. Udo has extensive expertise in process optimization in capital markets and securities business, working as a member of the Divisional Board for Capital Markets at WestLB AG and prior to that, as a partner at stratec consultants GmbH.

### Chief Content Officer, Daniel Wrigfeldt

Daniel Wrigfeldt joined Infront in 2017 in conjunction with the acquisition of Inquiry Financial. Daniel co-founded Inquiry Financial in 2005 and held the role of acting CEO when the company was sold to Infront from Morningstar and other shareholders in 2017. Daniel was appointed Group Head of Content at Infront in 2019 when Infront acquired VWD and since then oversees the content department at Infront. Daniel studied business administration and finance at Linköping University in Sweden and Helsinki School of Economics in Finland.

### Chief Business Transformation Officer, Stefanie Gaiser

Stefanie Gaiser joined Infront on September 1, 2021. Stefanie started her career in software, network and system engineering mainly in the field of scalable mass data processing. She has worked in the financial service industry for more than 15 years and has a significant track record in leading business transformation including strategy definition and execution. Stefanie holds an Executive MBA in General Management from HSG University of St. Gallen, a Master of Computer Science in Software Engineering and a Dipl. Ing. (FH) in Electrical Engineering with a focus on Communication Engineering.

### Chief Information Officer, Morten Lindeman

Morten Lindeman founded Infront together with Kristian Nesbak in 1998. He holds the position as Chief Information Officer where he is responsible for technology and innovation, mainly related to server and distribution. Lindeman gives lectures and participates in panel debates on behalf of Infront. He is the co-chair of the Nordic subcommittee and the Application Layer – Market Data SubGroup of FIX Trading Community. In the period from 1990 to 1994 Lindeman worked as a developer with responsibility for the server for Falcon AS and as senior software developer at Reuters Norge AS from 1994 to 1998.

### Chief Executive Officer, Kristian Nesbak (until November 2, 2021)

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 Financial Officer, Max Hofer (until January 31, 2022)

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.

### Director Business Development, Joachim Rosli (until March 31, 2022)

Joachim Rosli joined Infront in 2000. Prior to that, Rosli worked at Reuters in the role of Acting Sales Manager leading the Norwegian sales team. At Infront Joachim has held several positions, starting with the role of Head of Sales in which he led a global sales and marketing team to grow the business across Europe and South Africa. For a period, he managed the Product team. Currently, Joachim heads up the Business Development team with focus on expanding Infront's products and solutions together with industry partners. Joachim Rosli holds an MSc in Economy and Marketing from Norwegian Business School and City University Business School in the UK.

# 5 BOARD OF DIRECTORS

## Chairman of the Board, Zlatko Vucetic (from April 7, 2022)

Zlatko Vucetic has extensive experience in leading and developing firms in the finance and software industries. Before joining Infront, Vucetic held the position of CEO at FocusVision, a leading global data analytics provider based in New York. Prior to that, Zlatko spent almost a decade with Saxo Bank where he held several senior and executive positions. He has also worked with several PE and VC software firms globally. Vucetic holds an MBA in International Marketing and Management from Copenhagen Business School.

## Board member, Sergio Ferrarini (from April 7, 2022)

Sergio Ferrarini is a Partner of Inflexion Private Equity Partners LLP focusing on technology, data and tech-enabled service businesses in Europe. Ferrarini started his career in the M&A team at Morgan Stanley in Milan, moving into private equity when he joined Bain Capital in London. There he was involved in several transactions in Europe and the US covering payments, technology and information services. He was then one of the founding members of the Principal Investing team at Eight Roads, the proprietary investing arm of Fidelity International, with a mandate to invest in growth companies with a focus on financial services and technology. Prior to joining Inflexion in 2019, Sergio worked for HgCapital, a private equity firm focused on software and service businesses.

## Board member, Eli Cathrine Disch (from April 7, 2022)

Eli Cathrine Disch joined Infront on February 1, 2022. Eli has extensive experience in building tech organizations for growth organically and through M&As. After earning her business degree at The American University in Paris, Eli worked in both advisory and finance roles in France and in Norway, and later for PricewaterhouseCoopers in Hungary. In 2000, she moved back to her native Norway to get her MBA. Since then, Eli has held various positions in the Norwegian tech sector, first as a strategy consultant in PwC and then as CFO for scale-up tech companies at Questback, Buypass, and most recently Basefarm, in addition to holding non-executive positions on the boards of Ambita and Documaster.

## Board member, Rob Dagger (from April 7, 2022)

Rob Dagger is Assistant Director of Inflexion Private Equity Partners LLP responsible for originating, evaluating and executing transactions. He started his career in strategy consulting at Monitor Deloitte, working on a range of corporate and digital strategy projects in the TMT sector. Prior to joining Inflexion in 2019, he was with a venture capital fund, specialising in investments into software and media businesses.

## Board member, Robert Jeanbart (from April 7, 2022)

Infront AS has appointed Robert Jeanbart as a board member. Robert is a non-executive Director of Rimes Technologies. Prior to this, he was the CEO of SIX Financial Information, where he drove major and sustainable operational and business transformation, supported by innovation and new business development. Robert has 34 years of international management experience and proven expertise in various areas of the financial information sector. He held senior management positions at SunGard (now FIS) and Reuters (now Refinitiv).

### Chairman of the Board, Morten Lindeman (from June 30, 2021 until April 7, 2022)

Morten Lindeman founded Infront together with Kristian Nesbak in 1998. He holds the position as Chief Information Officer where he is responsible for technology and innovation, mainly related to server and distribution. Lindeman gives lectures and participates in panel debates on behalf of Infront. He is the co-chair of the Nordic subcommittee and the Application Layer – Market Data SubGroup of FIX Trading Community. In the period from 1990 to 1994 Lindeman worked as a developer with responsibility for the server for Falcon AS and as senior software developer at Reuters Norge AS from 1994 to 1998.

### Board member, Max Hofer (from June 30, 2021 until April 7, 2022)

Max Hofer joined Infront in December 2013. He previously served as the CFO of a fast-growing technology company and has experience as an investor from Kistefos, Altor Equity Partners and Bain Capital. He started his career at McKinsey & Company, working on corporate finance-related projects for clients across Europe. Hofer holds a Master of Science degree in Economics and Finance from the University of St. Gallen (HSG), Switzerland. In addition, he holds a CEMS Master in International Management.

### Chairman of the Board, Gunnar Jacobsen (until June 30, 2021)

Gunnar Jacobsen 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, Gunnar was the CEO of BlueCom, a Norwegian telecommunications company. His previous experience includes senior project management in BlueCom, and business development activities at Telenor.

### Board member, Edoardo Jacucci (until June 30, 2021)

Edoardo Jacucci has built a career around software and analytics. Edoardo is currently General Manager at ESW Capital. Most recently he was General Manager EMEA at Arundo Analytics where he worked on building and shipping machine learning powered data products. Before joining Arundo in 2017 he was Chief Product Officer at Bisnode, and VP Product for Data Analytics at Schibsted Media Group. He was also formerly Associate Partner at McKinsey & Co., where he was a leader in the Big Data practice in the banking sector. Edoardo holds a PhD in Information Systems from the University of Oslo Norway and a MSc in Computer Science Engineering from the Polytechnic of Milan, Italy.

### Board member, Mark Ivin (until June 30, 2021)

Mark Ivin became a board member in 2017. He is currently CFO of Magseis Fairfield, a seismic company with operations in Norway and USA, and listed on the Oslo stock exchange. Prior to that, he was CFO and acting CEO of the cable company 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. Mark 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 (until June 30, 2021)

Beate Skjerven Nygårdshaug joined the board in 2017. She is currently General Counsel at Pexip ASA, a video communications provider, listed on the Oslo Stock Exchange. Most recently she was Legal Director of OSM Aviation Group. Previous to that she held the position as Legal Director of Kistefos AS for (8 years) and Legal Counsel for TDC Song (4 years). She has held several board positions in listed and non-listed companies, including Axactor and Mybank. 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, Bente Avnung Landsnes (until June 30, 2021)

Bente A. Landsnes has experience as CEO and President of Oslo Børs ASA and Oslo Børs VPS Holding ASA from 2006 to 2019. She started her career at Bankenes Betalingssentral and was the CEO of Bankenes Utredningsselskap and Senior Vice President at Bankenes Betalingssentral before joining Sparebanken NOR in 1996. From 2000 to 2003, Landsnes held the position of Group Executive Vice President in Gjensidige NOR Sparebank and she was Group Executive Vice President at DNB NOR (IT and operations) from 2003 to 2006. Landsnes has, among other things, experience with change and reputation management, financial reporting, investor relations, corporate governance, ESG and digital transformation. Bente holds a specialisation in accounting and language from Frogner Handelsskole.

Infront doesn't have a Directors and Officers Liability insurance on behalf of the members of the Board of Directors and CEO.

# 6 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 December 31, 2021.

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 of December 31, 2021. 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, April 27, 2022

| | | |
|---|---|---|
| | Sergio Ferrarini | |
| Zlatko Vucetic | Sergio Ferrarini | Eli Cathrine Rohr Disch |
| CEO and Chairman of the Board | Member of the Board | Member of the Board |

| | | |
|---|---|---|
| | | Rob Dagger |
| Robert Jeanbart | | Robert Andrew John Dagger |
| Member of the Board | | Member of the Board |

# 7 CORPORATE GOVERNANCE

## 7.1 Implementation and reporting on corporate governance

Infront AS (the "Company") has made a strong commitment to ensure trust in the Company and to enhance stakeholder (primarily shareholders and bondholders) value through efficient decision-making and improved communication between the management, the Board of Directors and the stakeholders. The Company's framework for corporate governance is intended to decrease business risk, maximize value and utilize the Company's resources in an efficient and sustainable manner.

The Company shall seek to comply with the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on October 14, 2021, 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 June 17, 2021. The Company's corporate governance framework is subject to annual reviews and discussions by the Board of Directors.

The Board of Directors has included a report on the Company's corporate governance in its annual report.

## 7.2 Business

Infront offers electronic trading solutions and real-time market data, news and analytics covering over eighty exchanges world-wide, as well as solutions for portfolio and advisory, regulatory and calculation, data and feeds, and publication and distribution. The Company has its main office 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 and development of software for sale."

The Board of Directors has established objectives, as well as a strategy and a risk profile for the business within the scope of the definition of its business, to create value for its stakeholders. 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: "stronger together", with a focus on teamwork and respect; "own it", inspiring dedication and responsibility for our actions; and "stay curious", the core of our brand, keeping open minds, challenging conventional thinking and continuously improving. Together with the Company's ethical code of conduct, these values aim to characterize the behaviour of the Company and its employees. The ethical guidelines alongside policies and manuals related to anti-corruption, 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.

## 7.3 Equity and dividends

### 7.3.1 Equity

On December 31, 2021, the Company's consolidated equity was EUR 15 651 million, which was equivalent to 7.2% of total assets. The debt-to-equity ratio was 13.0. The Board of Directors considers the current cash balance, undrawn credit facilities and overall capital structure to be satisfactory in relation to the Company's objectives, strategy and risk profile.

## 7.4 Shares and negotiability

Infront AS has one class of shares.

## 7.5 Board of Directors: composition and election

Following the delisting of Infront AS and the company being registered as a private limited liability company; Infront AS and pursuant to the articles of association section 4, the Company's Board of Directors shall consist of 1 to 7 members. On December 31, 2021, the Board of Directors consisted of the following two members: Morten Lindeman (chair) and Max Hofer.

All shares in the Company are ultimately owned by DASH TopCo AS, which is majority owned by Inflexion. For this reason, the Company no longer has a nomination committee (effective June 17, 2021). Board members are elected by Inflexion and the Founders. Procedures for the election of shareholders are governed by a shareholder agreement that the Company's ultimate owners have adhered to.


## 7.6 The work of the Board of Directors

### 7.6.1 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 the Company's activities in general. The Norwegian Private Limited Liability Companies Act regulates the duties and procedures of the Board of Directors.

### 7.6.2 Guidelines for directors and executive management

The Board of Directors has adopted rules of procedures for the Board of Directors which inter alia include 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 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.

### 7.6.3 The audit committee

The Company's audit committee is governed by the Norwegian Private Limited Liability Companies Act and a separate instruction adopted by the Board of Directors

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 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.

## 7.7 Risk management and internal control

The Company's primary internal control routines related to financial reporting are as follows: The finance team prepares a monthly financial report which is distributed to and reviewed by CEO, CFO and the Board of Directors. In preparing the monthly financial report, the accounting team conducts reconciliations of all major balance sheet items, which are independently reviewed by a second member of the controlling team. Balance sheet items subject to accounting estimates are regularly analysed to ensure that all assumptions relating to the accounting estimate remain valid. As part of the monthly financial report, the financial results are compared with the company's budget and prior forecast to analyse variances and ensure that they are not the result of incorrect reporting.

The Board Presentation including all this information is provided to the monthly meetings.

Interim reports are published on a quarterly-semi-annual basis.

In general 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 organizational risk review in order to identify real and potential risks and remedy any incidents that have occurred. The Board of Directors shall 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.

There are no provisions of the articles of association and authorizations that give the board the right to decide that the company should buy back or issue own shares or equity certificates.

## 7.8 Remuneration of 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 26 Compensation to the Board of Directors and executive management for more details).

## 7.9 Auditor

The Company's external auditor is PricewaterhouseCoopers 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 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 FINANCIAL STATEMENTS FOR INFRONT AS 2021

## Consolidated income statement for the year ended 31 December

| (EUR 1.000) | Note | 2021 | 2020 |
|---|---|---|---|
| Revenues | 6, 7 | 120 965 | 114 461 |
| | | | |
| Cost of services rendered | | 39 186 | 37 907 |
| Salary and personnel costs | 8 | 46 406 | 44 264 |
| Other operating expenses | 9 | 13 703 | 12 976 |
| Depreciation and amortisation | 12, 14, 24 | 12 693 | 13 143 |
| Total operating expenses | | 111 988 | 108 290 |
| Operating profit | | 8 977 | 6 171 |
| | | | |
| Financial income/(expenses) - net | 10 | -10 860 | -7 192 |
| Profit before income tax | | -1 883 | -1 021 |
| | | | |
| Income tax (expense)/income | 11 | - 863 | -2 416 |
| Profit for the period | | -2 746 | -3 437 |
| | | | |
| Profit is attributable to: | | | |
| Owners of Infront AS | | -4 155 | -4 315 |
| Non-controlling interests | | 1 409 | 878 |
| | | -2 746 | -3 437 |

# Statement of comprehensive income for the year ended 31 December

| (EUR 1.000) | Note | 2021 | 2020 |
|---|---|---|---|
| Profit | | -2 746 | -3 437 |
| | | | |
| Other comprehensive income | | | |
| Items not to be reclassified subsequently to profit or loss: | | | |
| Remeasurements of defined benefit pension liabilities | 18 | 16 | 978 |
| Income tax relating to remeasurements of defined benefit pension liabilities | 11 | - 22 | - 221 |
| | | | |
| Items to be reclassified subsequently to profit or loss | | | |
| Hedges of net assets in foreign operation | 20 | 261 | -3 476 |
| Income tax relating to hedges of net assets in foreign operations | 11 | - 58 | 765 |
| Exchange differences on translation of foreign operations | | -3 061 | 3 334 |
| Other comprehensive income | | -2 864 | 1 380 |
| | | | |
| Total comprehensive income | | -5 610 | -2 057 |
| | | | |
| Total comprehensive income is attributable to: | | | |
| Owners of Infront AS | | -7 019 | -2 935 |
| Non-controlling interests | | 1 409 | 878 |

# Consolidated statement of financial position as of 31 December

| (EUR 1.000) | Note | 2021 | 2020 |
|---|---|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Equipment and fixtures | 14 | 2 335 | 2 707 |
| Right-of-use assets | 24 | 8 879 | 10 700 |
| Intangible assets | 12 | 168 719 | 170 209 |
| Deferred tax asset | 11 | 5 431 | 5 456 |
| Other non-current assets | 15 | 969 | 921 |
| Total non-current assets | | 186 333 | 189 993 |
| | | | |
| Current assets | | | |
| Trade receivables | 16, 21 | 9 689 | 8 168 |
| Other current assets | 15, 21 | 5 287 | 3 825 |
| Cash and cash equivalents | 17, 21 | 17 397 | 18 419 |
| Total current assets | | 32 374 | 30 412 |
| TOTAL ASSETS | | 218 707 | 220 405 |

| (EUR 1.000) | Note | 2021 | 2020 |
|---|---|---|---|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 23 | 459 | 459 |
| Share premium | | 35 076 | 35 076 |
| Share option program | 25 | - | 873 |
| Other equity | | -24 188 | -9 991 |
| Total equity attributable to owners of the parent | | 11 347 | 26 417 |
| Non-controlling interests | | 4 304 | 3 585 |
| Total equity | | 15 651 | 30 002 |
| | | | |
| Non-current liabilities | | | |
| Non-current borrowings | 20, 22 | 127 811 | 102 627 |
| Non-current lease liabilities | 24 | 7 155 | 9 116 |
| Other non-current financial liabilities | 19, 21 | 624 | 1 362 |
| Pension liabilities | 18 | 7 324 | 7 711 |
| Deferred tax liabilities | 11 | 17 346 | 18 845 |
| Other non-current liabilities | 19 | 578 | 1 049 |
| Total non-current liabilities | | 160 837 | 140 710 |
| | | | |
| Current liabilities | | | |
| Current borrowings | 20, 22 | - | 10 000 |
| Current lease liabilities | 24 | 2 273 | 2 009 |
| Other current financial liabilities | 19, 21 | 693 | 845 |
| Income tax payables | 11 | 4 311 | 4 444 |
| Trade payables | 19 | 10 766 | 12 901 |
| Other current payables | 19 | 18 615 | 14 730 |
| Deferred revenue | 7 | 5 560 | 4 764 |
| Total current liabilities | | 42 219 | 49 693 |
| Total liabilities | | 203 056 | 190 403 |
| TOTAL EQUITY AND LIABILITIES | | 218 707 | 220 405 |

Oslo, April 27, 2022

| | | |
|---|---|---|
| Zlatko Vucetic | Sergio Ferrarini | Eli Cathrine Rohr Disch |
| CEO and Chairman of the Board | Member of the Board | Member of the Board |
| Robert Jeanbart | | Robert Andrew John Dagger |
| Member of the Board | | Member of the Board |

# Consolidated statement of cash flows for the year ended 31 December

| (EUR 1.000) | Note | 2021 | 2020 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Profit (loss) before tax | | -1 883 | -1 021 |
| *Adjustments for non-cash items* | | | |
| Depreciation and amortisation | 12, 14, 24 | 12 693 | 13 143 |
| Pension items without cash effect | | - 14 | - 516 |
| Other non-cash financial items | | - 269 | 930 |
| *Adjustments for cash items* | | | |
| Taxes paid | | -3 005 | -1 450 |
| *Change in operating assets and liabilities* | | | |
| Change in trade receivable and other receivables | | -1 936 | 854 |
| Change in provisions | | - 659 | 684 |
| Change in deferred revenue, trade and other payables | | - 516 | -3 177 |
| Net cash inflow from operating activities | | 4 411 | 9 447 |
| | | | |
| Cash flows from investing activities | | | |
| Payment for acquisition of subsidiary, net of cash acquired | 5 | -2 586 | -2 761 |
| Payment for intangible assets | 12 | -1 102 | - 327 |
| Payment for property, plant and equipment | 14 | - 529 | - 952 |
| Payment for software development cost | 12 | -2 547 | -2 257 |
| Net cash (outflow) from investing activities | | -6 764 | -6 297 |
| | | | |
| Cash flows from financing activities | | | |
| Cash settlement from option exercise | | -4 909 | - |
| Net proceeds from borrowing | | -10 843 | - 808 |
| Net proceeds from bond issuance | | 25 000 | - |
| Repayments of lease liabilities | 22 | -2 816 | -2 754 |
| Dividends paid | | -4 464 | - 87 |
| Net cash inflow from financing activities | | 1 968 | -3 649 |
| | | | |
| Net increase/(decrease) in cash and cash equivalents | | - 385 | - 499 |
| Cash and cash equivalents at the beginning of period | | 18 419 | 18 703 |
| Effects of exchange rate changes on cash and cash equivalents | | - 637 | 215 |
| Cash and cash equivalents on December 31, | | 17 397 | 18 419 |

# Consolidated statement of changes in equity

| (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 as of January 1, 2020 | | 458 | 34 883 | 196 | 317 | 751 | -7 932 | 28 673 | 2 686 | 31 359 |
| | | | | | | | | | | |
| Profit/loss for the year | | | | | | | -4 315 | -4 315 | 878 | -3 437 |
| Other comprehensive income for the period | | | | - 2 | 2 | - 564 | 1 944 | 1 380 | | 1 380 |
| Share option program | 25 | | | | 554 | | | 554 | | 554 |
| Dividends | | | | | | | | - | - 63 | - 63 |
| Equity issue | | 1 | 193 | - 194 | | | 126 | 126 | 84 | 210 |
| Balance on December 31, 2020 | | 459 | 35 076 | - | 873 | 187 | -10 177 | 26 417 | 3 585 | 30 002 |
| | | | | | | | | | | |
| Profit/loss for the period | | | | | | | -4 155 | -4 155 | 1 409 | -2 746 |
| Other comprehensive income for the period | | | | | | -2 858 | - 6 | -2 864 | | -2 864 |
| Share option program | 25 | | | | - 873 | | -3 404 | -4 277 | | -4 277 |
| Dividends | | | | | | | -3 774 | -3 774 | - 690 | -4 464 |
| **Balance on December 31, 2021** | | **459** | **35 076** | **-** | **-** | **-2 671** | **-21 516** | **11 347** | **4 304** | **15 651** |

# NOTES TO THE CONSOLIDATED GROUP ANNUAL ACCOUNTS REPORT 2021

## General information



## Group structure



## Information on income statement



## Information on statement of financial positions

## Capital management



## Other information

# Note 1 – General Information

Infront AS (short: "Infront"; "Infront Group" or "Group") is a limited liability company incorporated and domiciled in Norway, with its head office in Munkedamsveien 45, 0250 Oslo.

The Group is a leading market data and trading solution provider in 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 April 27, 2022, and are subject to approval by the Annual General Meeting on May 13, 2022.

# Note 2 – Significant events in the current reporting period

The financial position and performance of the group was particularly affected by the following events and transactions during the reporting period:

- De-listing from Oslo Stock exchange
- Change of reporting structure and segment reporting due to the acquisition of Infront by Inflexion (see Note 6)
- Re-financing of the group's bond
- The acquisition of Oslo Market Solutions (OMS) in June 2021 (see Note 5) which resulted in the recognition of goodwill and other intangible assets.

For a detailed discussion about the group's performance and financial position please refer to our operating and financial review on pages 11 to 14.

# Note 3 – General accounting principles

## Statement of Compliance

The consolidated financial statements of Infront AS 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 as of December 31, 2021.

## Basis of preparation

The consolidated financial statements of Infront AS for the year ended December 31, 2021, comprise the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements consist of statement of income, statement of comprehensive income, statement of financial position, cash flow statement, statements of changes in equity and disclosures.

All financial information in the financial statements is presented in Euro (EUR) and has been rounded to the nearest thousand unless otherwise stated.

As a result of rounding adjustments, amounts may not add up to the total.

The financial statements are prepared on a going concern basis.

The financial statements have been prepared on a historical cost basis, except for a financial asset carried at fair value (refer to Note 21).

## Basis for consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2021. The financial reporting of the companies included in the consolidated financial statements are based on uniform accounting policies. For all companies included in the consolidated financial statements, the reporting date of the single-entity financial statements corresponds to the reporting date of the consolidated financial statements.

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 can 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.

The acquisition method of accounting is used to account for business combinations (refer to Note 5 Business Combinations).

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.

## Foreign currency

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 translated 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 (EUR) are translated to EUR 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 based on twelve monthly average rates.
- Components of equity are translated at historical rates at the dates of their respective additions as viewed by the Group.

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.

## 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.

## 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.

## 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.

Material exercise of judgement and estimates relate to the following matters:

- Business combinations (refer to Note 5),
- The determination of the feasibility of tax loss carry forwards (refer to Note 11),
- Goodwill (refer to Note 12),
- Valuation of pension provision (refer to Note 18),
- Segment reporting (refer to Note 6)

# Note 4 – Changed accounting principles

## New standards, interpretations and amendments effective from January 1, 2021

Infront has applied the following accounting standards adopted by the EU and legally required to be applied since January 1, 2021, although they did not have any significant effect on the assets, financial position and financial performance of Infront in the Consolidated Financial Report:

- IFRS 4 – Extension of the existing option for delayed first-time adoption of IFRS 9 (IASB-publication: June 25, 2020; EUR endorsement: December 15, 2020)
- IFRS 9 / IAS 39 / IFRS 7 – Interest Rate Benchmark Reform (IASB-publication: August 27, 2020; EUR endorsement: January 15, 2021)
- IFRS 16 – Extension of relief for Covid-19-related rent concessions (IASB-publication: March 31, 2021; EUR endorsement: August 30, 2021)

## Standards, interpretations and changes to published standards, which are not yet mandatory for 2021, and which have not been applied prematurely by the company

The new changed or revised accounting standards will be applied, without exception, from the time when use is compulsory in each given case.

| | Standard/Interpretation[1] | Published by the IASB | Compulsory use | Endorsement by EU-Commission | |
|---|---|---|---|---|---|
| | | | | Effected on | Planned for |
| IFRS 17 | Insurance Contracts | 18.5.2017<br>25.6.2020 | 1.1.2023 | 23.11.2021 | |
| Others | Annual Improvements to IFRS Standards (2018 - 2020) | 14.5.2020 | 1.1.2022 | 28.6.2021 | |
| IAS 1 | Amendments: Classification of Liabilities as Current or Non-current | 23.1.2020<br>15.7.2020 | 1.1.2023 | | open |
| IAS 1 | Amendments: Disclosure of Accounting policies | 12.2.2021 | 1.1.2023 | | open |
| IAS 8 | Amendments: Definition of Accounting Estimates | 12.2.2021 | 1.1.2023 | | open |
| IAS 12 | Amendments: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 7.5.2021 | 1.1.2023 | | open |
| IFRS 17 | Initial Application of IFRS 17 and IFRS 9 - Comparative Information | 9.12.2021 | 1.1.2023 | | open |

[1] Until 31.12.2021

# Note 5 – Business combinations

## Accounting principles

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the group, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value, or at the non-controlling interests proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

Goodwill arising on acquisition is recognized as an asset measured as the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the acquired entity over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the group's interest in the net fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities exceeds the total consideration of the business combination, the excess is recognized in the income statement immediately.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquisition is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognized in profit or loss.

## Critical judgements and significant estimates

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.

## Description

### Oslo Market Solutions (OMS)

On June 4, 2021, the Infront Group acquired Oslo Market Solutions with agreed purchase price of NOK 37 542 thousand.

The amounts recognized at the date of acquisition in respect of identifiable assets acquired and liabilities assumed are set out in the table below.

| (EUR 1000) | |
|---|---|
| Customer relationships | 399 |
| Property, plant and equipment | 62 |
| Accounts receivables and other receivables | 271 |
| Cash and cash equivalents | 1 105 |
| Trade payables and other payables | 1 257 |
| Deferred tax liabilities | 88 |
| Total net identifiable assets acquired at fair value | 494 |
| | |
| Goodwill | 3 202 |
| Total consideration transferred | 3 697 |
| | |
| Net cash outflow arising on acquisition | |
| Cash consideration | 3 697 |
| Cash and cash equivalent balances acquired | 1 105 |
| Total net cash outflow | 2 591 |

The purchase price allocation is final.

The fair value of the acquired trade receivables is EUR 160 thousand.

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 acquired unit has from the date of acquisition contributed to the group's revenues and profit before taxes by EUR 1 826 thousand and EUR 30 thousand respectively.

If the acquisition had occurred at the beginning of 2021, revenues for 2021 and profit before taxes for 2021 for the group would have been EUR 3 051 thousand and EUR 40 thousand respectively.

# Note 6 – Segment Information

## Accounting principles

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. Furthermore, the entity's components' operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and thus separate financial information is available. The board of Infront AS is collectively the chief operating decision maker.

## Description

In the two previous years the business was organized in the segments Infront Solutions and Terminal, vwd Group and News and Other. However, since the acquisition of the vwd Group by Infront in 2019, the vwd integration process has progressed to the point where the vwd Group is no longer considered a segment. From date of acquisition in 2021, Infront Group is considered by the board of Infront AS as one reporting segment. The operating results for the entire group are monitored and regularly reviewed to make meaningful resource allocation decisions. Financial information is largely presented on a consolidated basis.

As supplementary information to the consolidated financial information package, the revenue allocation by product group (see Note 7) und by region is provided to management on a monthly basis.

### Revenue by region

| (EUR 1000) | DACH | Nordic Region | Other regions |
|---|---|---|---|
| 2021 | 62 317 | 30 948 | 27 700 |
| 2020 | 60 287 | 26 537 | 27 637 |

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.

# Note 7 – Revenue

## Accounting principles

The Group's revenue consists of subscription-based revenues from providing access to terminals, data, financial news and subscription to solutions. The Group also derives revenue from advisory services and different customizing of software and solutions.

When the Group enters a contract with a customer, the goods and services promised in the contract are identified as separate performance obligations. This is 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. Further, that the goods and services are separately identifiable from other promises in the contract.

Granting access to its proprietary software including market data, for maintaining the software and providing user support is recognized 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 recognized over time (license period) as the services are delivered.

License proceeds from software solutions with extensive customizing, are recognized over the period in which the software development or implementation takes place.

Revenues from the delivery of data are recognized at the time the power of disposal is transferred to the customer.

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.

Consulting revenues from service contracts that are settled based on the time units provided, are identified as a separate performance obligation and recognized when the service is realized. Consulting revenues from service contracts settled based on the time units are realized depending on the services provided.

Contract assets and liabilities vary to an extent throughout the reporting period. Most 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 is rendered on a monthly basis. Customers have payment terms varying from 14-45 days.

## Description

During the integration phase, Infront categorises its products 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.

### 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.

### 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 companies offering individual solutions for their client base. Lenz+Partner offers an analysis tool for the financial markets with chart analytics, fundamental analytics and portfolio management. Transaction Solutions AG operates securities trading centres in most varied forms for its clients: whether on or off the exchange, limit trading, and request for quote or matching systems.

### Changes in deferred revenue during the year

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Opening balance deferred revenue on January 1, | 4 764 | 4 759 |
| Changes during the period | 332 | 27 |
| Exchange differences | - 43 | - 22 |
| Total | 5 560 | 4 764 |

### Revenue by product group

| (EUR 1000) | TS | FS | PAS | RCS | PDS | OS |
|---|---|---|---|---|---|---|
| 2021 | 53 050 | 15 530 | 11 891 | 6 770 | 16 121 | 17 603 |
| 2020 | 49 845 | 13 876 | 11 831 | 6 943 | 17 064 | 14 902 |

## Note 8 – Payroll

Number of employees during the year (Full-time equivalents) was 510 in 2021 and 479 in 2020.

### Salary and personnel costs

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Salaries | 34 806 | 31 718 |
| Social security costs | 8 453 | 7 903 |
| Pension costs | 1 086 | 1 062 |
| Other personnel expenses* | 2 061 | 3 581 |
| Total | 46 406 | 44 264 |

*Other personnel expenses are deducted with amount of capitalised salaries and social security.

See Note 18, 25 and 26 for further information.

## Note 9 – Other operating expenses

Other operating cost consists of the following:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Services | 7 059 | 3 836 |
| Consultancy fees | 2 799 | 2 711 |
| Travel expenses | 215 | 345 |
| Marketing | 447 | 418 |
| General administrative costs | 2 744 | 2 536 |
| Loss on receivables | 420 | 79 |
| Other operating expenses* | 19 | 3 051 |
| Total other operating expenses | 13 703 | 12 976 |

* See Note 24 for further information

Specification of the auditor's fees:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Audit fee PwC | 262 | 87 |
| Audit fee non-PwC | 153 | 221 |
| Other audit related services non-PwC | 108 | 91 |
| Total | 523 | 400 |

## Note 10 – Financial Items

Financial income and expenses consist of:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Interest and similar income | 522 | 158 |
| Net foreign exchange gain | 1 732 | 734 |
| Total financial income | 2 254 | 892 |
| | | |
| Interest and similar expense | 12 715 | 7 620 |
| Interest expenses for leasing liabilities | 399 | 464 |
| Total financial expenses | 13 114 | 8 084 |
| | | |
| Net financial items | -10 860 | -7 192 |

See Note 22 and 24 for further information.

# Note 11 – Tax

## Accounting principles

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.

The reported income taxes are recognized in the amount expected to be payable based on the statutory regulations in force or enacted on the balance sheet date.

Deferred tax assets and liabilities are calculated based on 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.

## Critical judgements and significant estimates

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures, all of which may be uncertain. Economic conditions may change and lead to a different conclusion regarding recoverability. Tax authorities in different jurisdictions may challenge Infront's calculation of taxes payable from prior periods. Such processes may lead to changes to prior periods' taxable income, resulting in changes to income tax expense in the period of change, as well as interest and fines.

## Descriptions

The Group’s income tax expense comprises the following:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Current income taxes | 2 236 | 3 035 |
| Deferred income taxes | -1 293 | -1 163 |
| Taxes | 943 | 1 872 |
| Of which recognised in profit or loss | 863 | 2 416 |
| Of which recognised in other comprehensive income | 80 | - 544 |

The Group's net deferred tax liabilities (assets) are made up as follows:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| **Deferred tax balances** | | |
| Losses carried forward | 8 042 | 8 145 |
| Property, plant and equipment | 143 | 474 |
| Intangible assets | -16 041 | -18 517 |
| Accounts receivable | - 67 | - 37 |
| Provisions | 851 | 890 |
| Other | - 15 | 484 |
| Subtotal | -7 087 | -8 561 |
| Non-recognized deferred tax assets | -4 828 | -4 828 |
| **Net deferred tax asset (liability)** | **-11 915** | -13 389 |
| | | |
| **Reconciliation to balance sheet** | | |
| Deferred tax assets | 5 431 | 5 456 |
| Deferred tax liabilities | 17 346 | 18 845 |
| **Net deferred tax assets (liabilities)** | **-11 915** | -13 389 |

The Group's effective tax rate differs from the nominal tax rates in countries where the Group has operations. The relationship between tax expense and accounting profit (loss) before taxes is as follows:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| **Recognition of the effective tax rate with the Norwegian tax rate:** | | |
| Ordinary profit / loss before tax | -1 883 | -1 021 |
| **Expected tax expense using nominal tax rate of 22%** | **- 414** | - 225 |
| | | |
| **Tax effect of non-taxable amounts:** | | |
| Tax on permanent differences | -1 163 | 150 |
| Tax effect of non-taxable amounts | - 785 | - 16 |
| Effect of deviating tax rate in other countries | 759 | 243 |
| Effect of temporary differences that are not included in the calculation of deferred tax | 2 023 | 1 935 |
| Other | 443 | 329 |
| **Income tax expense** | **863** | 2 416 |
| | | |
| **Payable tax in the balance:** | | |
| Payable income tax | 4 311 | 4 444 |
| **Total payable tax in the balance** | **4 311** | 4 444 |

# Note 12 – Intangible Assets

## Accounting principles

### Intangible assets acquired in business combinations

Acquired Intangible assets comprise customer contracts, brands, and databases. Assets 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.

### Goodwill

Intangible assets acquired as part of an acquisition that do not meet the criteria for separate recognition are recognized as goodwill. Goodwill is allocated to cash generating units (CGU) and not amortized but tested for impairment at least annually (refer to Note 13).

### Capitalized 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 can 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. After completion, capitalized development costs are amortized systematically over a useful life.

### Impairment

Intangible assets 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. Additionally, to the Impairment Testing a separate review of the brand value is carried out. The evaluation is based on the "Relief-from-Royalty-Method" by using a reasonable license fee on all license revenues recorded under the brand.

## Critical judgements and significant estimates

Development of software, representing the Group's main offering, 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 very low, almost negligible.

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 has, 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.

### Development in net carrying amount in 2021:

| (EUR 1.000) | Capitalised development* | Customer contracts | Database | Brand | Goodwill | Total |
|---|---|---|---|---|---|---|
| Opening balance accumulated cost | 19 240 | 58 130 | 5 713 | 9 050 | 101 230 | 193 362 |
| Additions | 2 547 | - | 1 102 | - | - | 3 649 |
| Acquisition of business (Note 5) | - | 387 | - | - | 3 106 | 3 493 |
| Reclassifications | 522 | - | - 522 | - | - | - |
| Exchange differences | 465 | 296 | 13 | - | 303 | 1 077 |
| Closing balance accumulated cost | 22 774 | 58 813 | 6 306 | 9 050 | 104 639 | 201 581 |
| Opening balance accumulated amortization and impairment | 9 640 | 7 192 | 1 964 | 4 356 | - | 23 153 |
| Amortization charge | 2 085 | 3 422 | 862 | 2 811 | - | 9 180 |
| Reclassifications | 376 | - | - 376 | - | - | - |
| Exchange differences | 404 | 119 | 6 | - | - | 529 |
| Closing balance accumulated amortization and impairment | 12 505 | 10 733 | 2 456 | 7 167 | - | 32 862 |
| Closing net book amount | 10 269 | 48 080 | 3 850 | 1 883 | 104 639 | 168 719 |

*) Capitalised development is an internally generated intangible asset

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

| | | | | | |
|---|---|---|---|---|---|
| Useful life | 3-5 years | 6-20 years | 10 years | 3 years | Indefinite |
| Depreciation plan | Linear | Linear | Linear | Linear | - |

Development in net carrying amount in 2020:

| (EUR 1.000) | Capitalised development* | Customer contracts | Database | Brand | Goodwill | Total |
|---|---|---|---|---|---|---|
| Opening balance accumulated cost | 17 091 | 57 551 | 4 814 | 9 050 | 99 675 | 188 180 |
| Additions | 2 257 | - | 327 | - | - | 2 584 |
| Acquisition of business (Note 5) | - | 946 | 593 | - | 1 672 | 3 211 |
| Reclassifications | 353 | - | 17 | - | - 370 | - |
| Exchange differences | - 461 | - 367 | - 38 | - | 253 | - 613 |
| Closing balance accumulated cost | 19 240 | 58 130 | 5 713 | 9 050 | 101 230 | 193 362 |
| | | | | | | |
| Opening balance accumulated amortization and impairment | 7 990 | 3 775 | 863 | 1 564 | - | 14 193 |
| Amortization charge | 2 079 | 3 522 | 1 117 | 2 792 | - | 9 510 |
| Exchange differences | - 429 | - 105 | - 16 | - | - | - 550 |
| Closing balance accumulated amortization and impairment | 9 640 | 7 192 | 1 964 | 4 356 | - | 23 153 |
| | | | | | | |
| Closing net book amount | 9 600 | 50 938 | 3 749 | 4 694 | 101 230 | 170 209 |

*) Capitalised development is an internally generated intangible asset

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

| | | | | | |
|---|---|---|---|---|---|
| Useful life | 3-5 years | 6-20 years | 10 years | 3 years | Indefinite |
| Depreciation plan | Linear | Linear | Linear | Linear | - |

No ownership restrictions exist on intangible assets and no public sector benefits were offset from the acquisition costs for intangible assets during the financial year 2021.

# Note 13 – Impairment Testing

## Accounting principles

Goodwill does not generate cash flows independently of other assets or groups of assets and is allocated to the cash-generating units expected to benefit from the synergies of the combination that gave rise to the goodwill.

### 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.

### 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

Cash-generating units to which goodwill has been allocated, are tested for impairment annually or more frequently if there is any indication that the cash-generating unit may be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets not yet brought into use are assessed for impairment annually. If it is not possible to estimate the recoverable amount of an individual asset, the group determines the recoverable amount of the cash-generating unit to which the asset belongs

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 non-financial 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.

## Critical judgements and significant estimates

IAS 36 requires that Infront assess conditions that could cause an asset or a CGU to become impaired.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as sales, macro environment and their impact on markets and prices, development in demand, inflation, operating expenses and tax and legal systems. We use internal business plans and our best estimate of long-term development in the markets where we operate, discount rates and other relevant information. A detailed forecast is developed for a period of five years with projections thereafter.

## Description

For the impairment tests of recent years, the Infront Group identified the CGUs "Solutions and Terminals", “vwd Group” and "News and Others". These CGUs corresponded to the identified operating segments. However, since the acquisition of the vwd Group by Infront in 2019, the vwd integration process has progressed to the point where the vwd Group is no longer considered an own CGU. From date of acquisition in 2021, Infront Group is considered as one CGU.

## Impairment test 2021

Goodwill was tested for impairment at the end of 2021. No impairment losses were identified in 2021, as the determined recoverable amount was above the carrying value.

When testing goodwill, management used a 5-year discounted cash flow. The following table sets out the key assumptions used for the value-in-use calculations:

| | |
|---|---|
| Growth in revenue (annual growth rate) | 1.0% |
| EBITDA margin | 28.2% |
| WACC | 7.4% |

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 2021 budget and slightly improved over the 5-year period. |
| WACC | Based on observable and usual rates, premiums and other factors. |

Sensitivity analysis was performed to test the impairment model and its assumptions. For this purpose, WACC and Growth rate was adjusted by 0.5%. The determined recoverable amounts in the simulations remained consistently above the carrying value and the sensitivity analysis didn’t provide any indication of impairment.

# Note 14 – Equipment and fixtures

## Accounting principles

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. Equipment and fixtures that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date. If the reasons for an impairment loss recognized in previous years no longer apply, we reverse the impairment loss up to a maximum of the amortized/depreciated cost.

## Description

Equipment and fixtures have developed at year ended 31 December 2021 as follows:

| (EUR 1.000) | Tenant installations | Technical equipment and machines | Other equipment, operating and office equipment | Total |
|---|---|---|---|---|
| Opening balance accumulated cost | 217 | 2 940 | 3 056 | 6 213 |
| Additions | - | 512 | 17 | 529 |
| Acquisition of business (Note 5) | - | - | 61 | 61 |
| Sale/disposals | - | - | - 8 | - 8 |
| Reclassification | - 28 | 820 | - 792 | - |
| Exchange differences | 9 | 6 | 24 | 39 |
| Closing balance accumulated cost | 198 | 4 278 | 2 358 | 6 834 |
| | | | | |
| Opening balance accumulated depreciation and impairment | 82 | 1 133 | 2 291 | 3 506 |
| Depreciation charge | 31 | 905 | 42 | 978 |
| Sale/disposals | - | - | - 8 | - 8 |
| Reclassification | - 22 | 241 | - 219 | - |
| Exchange differences | 2 | 4 | 17 | 23 |
| Closing balance accumulated depreciation and impairment | 93 | 2 283 | 2 123 | 4 499 |
| | | | | |
| Closing net book amount | 105 | 1 995 | 235 | 2 335 |

| Estimated useful life, depreciation plan is as follows: | | | |
|---|---|---|---|
| Economic life | 3-8 years | 3-8 years | 3-5 years |
| Depreciation plan | Linear | Linear | Linear |

Equipment and fixtures have developed at year ended 31 December 2020 as follows:

| (EUR 1.000) | Tenant installations | Technical equipment and machines | Other equipment, operating and office equipment | Total |
|---|---|---|---|---|
| Opening balance accumulated cost | 106 | 2 220 | 3 093 | 5 419 |
| Additions | 121 | 786 | 45 | 952 |
| Acquisition of business (Note 5) | - | - | 44 | 44 |
| Acquisition of business - allocation incomplete (Note 5) | - | - | - 26 | - 26 |
| Sale/disposals | - | - 59 | 59 | - |
| Exchange differences | - 10 | - 7 | - 159 | - 176 |
| Closing balance accumulated cost | 217 | 2 940 | 3 056 | 6 213 |
| | | | | |
| Opening balance accumulated depreciation and impairment | 27 | 411 | 2 034 | 2 472 |
| Depreciation charge | 56 | 745 | 374 | 1 175 |
| Reclassification | - | - 21 | 21 | - |
| Exchange differences | - 1 | - 2 | - 138 | - 141 |
| Closing balance accumulated depreciation and impairment | 82 | 1 133 | 2 291 | 3 506 |
| | | | | |
| Closing net book amount | 135 | 1 807 | 765 | 2 707 |

| Estimated useful life, depreciation plan is as follows: | | | |
|---|---|---|---|
| Economic life | 3-8 years | 3-8 years | 3-5 years |
| Depreciation plan | Linear | Linear | Linear |

As in the previous year, there were no obligations for the acquisition of fixed assets.

## Note 15 – Other non-current and current assets

| (EUR 1.000) | Non-current | | Current | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Pension assets | 656 | 650 | - | - |
| Income tax receivables | - | - | 652 | 454 |
| Other financial assets | 312 | 271 | 2 064 | 1 070 |
| Other non-financial assets | - | - | 2 571 | 2 301 |
| Total | 968 | 921 | 5 287 | 3 825 |

# Note 16 – Trade receivables

## Accounting policies

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

Due to the short-term nature of the current receivables, their carrying amount is the same as their fair value.

### Impairment and risk exposure

The expected loss is based on the payment profiles of sales over a period of 36 months before December 31, 2021, or January 1, 2021, respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The group did not have any material losses recognized in 2021.

## Description

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Trade receivables from contracts with customers | 10 441 | 8 740 |
| Less provision for expected credit loss on trade receivables | - 752 | - 572 |
| Trade receivables (net) | 9 689 | 8 168 |

Aging of trade receivables by due date:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Not due | 7 585 | 5 873 |
| Past due 1-30 days | 897 | 810 |
| Past due 31-60 days | 775 | 528 |
| Past due 61-90 days | 291 | 218 |
| Past due more than 90 days | 893 | 1 311 |
| Trade receivables | 10 441 | 8 740 |

# Note 17 – Cash

## Accounting policies

Cash and cash equivalents include cash and bank deposits. The liquidity shown in the statement of cash flows comprises cash on hand and bank balances less current bank liabilities.

The cash flow statement is presented using the indirect method. 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.

## Description

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Cash and Cash Equivalents | | |
| Cash in bank | 17 397 | 18 419 |
| Cash equivalents | - | - |
| Total Cash and Cash Equivalents | 17 397 | 18 419 |
| Drawn overdraft | - | - |
| Total Cash and Cash Equivalents | 17 397 | 18 419 |
| Of which restricted Cash | | |
| Guarantees for leases and credits from suppliers | 317 | 456 |
| Taxes withheld | 365 | 146 |
| Other restricted cash | 283 | 283 |
| Total Restricted Cash | 965 | 885 |

# Note 18 – Pension

## Accounting policies

The employees of the group are covered by different pension schemes that vary from country to country and between the different companies. The group have both defined contribution and defined benefit plans. There are no multi-employer plans.

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. Other pensions are granted in accordance with the statutory and financial conditions specific to the countries concerned.

### Defined contribution

Obligations for contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred. The period's contributions are recognized in the income statement as salary and personnel costs.

### Defined benefit

Obligations for future payments under defined benefit plans are measured based on the projected unit credit method, to make a reliable estimate of the ultimate cost to the entity and calculate the present value of this commitment and current cost. Fair value of any relevant plan assets is deducted from the present value of the defined benefit obligation. Current and past service cost are recognized in profit and loss, actuarial gains and losses, return on plan assets and any changes in the effect of asset ceiling is recognized in other comprehensive income.

## Critical judgements and significant estimates

To measure post-retirement benefit obligations, the Group utilizes actuarial calculations obtained from actuaries to estimate the effects of future developments. These calculations are mainly based on assumptions about the discount rate and about increases in salaries and retirement benefits. These assumptions are subject to judgements and estimates.

## Description

### Pension plans in Germany

The subsidiary Infront Financial Technology GmbH has committed itself to post-employment benefits for its staff in the form of a one-off allocation of capital when they complete their 65th year or leave the company, when they leave based on a flexible retirement age or when they become incapacitated for work after completing their 60th year. The capital allocation is dependent on the length of their service of the company and their monthly salary. The pension plan was in operation until December 31, 2005, and all staff who have joined or will join the company as from January 1, 2006, do not receive a pension commitment from Infront Financial Technology GmbH.

Infront Financial Technology GmbH has obligations that are offset by plan assets (reinsurance policies) and obligations that are covered by non-offsetable reinsurance policies. The reinsurance policies covering these pension commitments have not been pledged and thus do not come under the definition of plan assets. They are recognized in the consolidated financial statements as a reimbursement.

The recognized carrying amount of pension liabilities related to the pension plan is EUR 4 042 thousand as of December 31, 2021 (and EUR 4 482 thousand as of December 31, 2020). The recognized carrying amount of reimbursement right is EUR 604 thousand as of December 31, 2021 (and EUR 597 thousand as of December 31, 2020).

Switzerland

Until 2010 the staff of the former Infront Financial Technology AG participated in two legally independent employee pension foundations which provide for a retirement pension on reaching retirement age, part of a disability pension in case of invalidity and a surviving dependents' benefit in case of death. The post-employment benefits are on a defined contribution basis. the pension amount being decided by the retirement assets and the conversion rate. The risk benefits are determined on a defined benefit basis and calculated as a fixed percentage of the insured salary.

The benefits are dependent on salary. The employer and the employee make contributions to the savings account in the foundation. The employer is responsible for the risk contributions.

The pension payments at Infront Financial Technology AG, Zurich, in 2021 concern exits from the company of long-serving employees with large pension assets in the respective pension schemes. The employee benefit foundation is a legal entity whose financial condition may only be assessed based on an actuarial balance sheet and on no other basis. The obligations to provide occupational pension are calculated for the purposes group calculations and thus affect only the company and not the employee pension foundation. Pension plans in Switzerland are given pro rata cover by the plan assets existing at the foundations.

The recognized carrying amount of pension liabilities related to the pension plans is EUR 2 384 thousand as of December 31, 2021 (and EUR 2 301 thousand as of December 31, 2020).

Sweden, Belgium, Italy and other

The Group have also defined benefit plans in Sweden, Belgium and Italy; however, these are not material to the Group.

Other employees in the group are covered by different defined contribution schemes.

The development of present value of the pension obligation, the plan asset and the payment guarantee of reinsurance coverage classified as reimbursements is set out in the following table:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Present value on January 1, | 13 639 | 16 258 |
| Adjustments due to exchange rate changes | 356 | 73 |
| Current service costs | 370 | - |
| Past-service costs | - 199 | 376 |
| Interest expenses | 47 | 96 |
| Contributions by beneficiary employees | 1 290 | 234 |
| Actuarial gains (-)/ losses (+) | | |
| – from changes to demographic assumptions | - 327 | - |
| – from changes in financial assumptions | 148 | 158 |
| – due to experience-based adjustments | 191 | -1 127 |
| Pension payments | -1 987 | -2 428 |
| Present value on December 31, | 13 528 | 13 639 |
| | | |
| Plan asset on January 1 | -5 928 | -7 599 |
| Adjustments due to exchange rate changes | - 251 | - 48 |
| Interest income | - 12 | - 23 |
| Contributions by employers | - 243 | - 254 |
| Gains (+)/losses (-) from revaluation (excluding amounts included in interest income) | - 21 | - 10 |
| Pension payments | 1 288 | 2 240 |
| Contributions by beneficiary employees | -1 037 | - 234 |
| Plan asset on December 31, | -6 204 | -5 928 |
| | | |
| Net liability | | |
| Obligations for benefit commitments | 13 528 | 13 639 |
| less plan asset | -6 204 | -5 928 |
| As on December 31, | 7 324 | 7 711 |
| | | |
| Reimbursement rights on January 1, | 650 | 646 |
| Adjustments due to exchange rate changes | - 1 | - |
| Benefits paid from reinsurance policies | - 15 | - 13 |
| Actuarial gains (+)/ losses (-) | 14 | - 2 |
| Contributions to reinsurance policies | 4 | 4 |
| Income from reimbursement claims | 4 | 15 |
| Reimbursement rights on December 31, | 656 | 650 |

Components of net periodic benefit cost include:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Current service costs | 370 | - |
| Past-service costs | - 199 | 376 |
| Net interest expense (+)/ income (-) | 35 | 73 |
| Amounts recognized in income statement | 206 | 449 |
| Actuarial gains (-)/ losses (+) from changes to demographic assumptions | - 327 | - |
| Actuarial gains (-)/ losses (+) from changes in financial assumptions | 113 | 158 |
| Actuarial gains (-)/ losses (+) due to experience-based adjustments | 191 | -1 136 |
| Amounts included in other comprehensive income | - 23 | - 978 |
| TOTAL | 183 | - 529 |

Assumptions

The following assumptions in % weighted average are used when calculating obligations for post-retirement benefits and net periodic benefit:

| | 2021 | 2020 |
|---|---|---|
| Actuarial interest rate | 0.6 | 0.7 |
| Fluctuation | 5.3 | 5.0 |
| Expected annual rise in income | 2.0 | 2.0 |
| Expected annual rise in pension | 0.6 | 0.6 |

The mortality tables 2005 G of Rd. Klaus Heubeck were used for pension commitments in Germany. The pension commitments in Switzerland were calculated based on BVG 2010.

## Note 19 – Other non-current and current liabilities

| (EUR 1.000) | Non-current | | Current | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Other financial liabilities | 624 | 1 362 | 693 | 845 |
| Trade payables | - | - | 10 766 | 12 901 |
| Contract liabilities | 109 | 437 | 424 | 410 |
| Other liabilities from taxes | - | - | 2 977 | 2 694 |
| Accrued salaries and other employment benefits | - | - | 6 714 | 5 755 |
| Personnel and other provisions | 468 | 1 049 | 1 421 | 1 493 |
| Other payables | - | - | 7 080 | 4 378 |
| Total other non-current and current liabilities | 1 202 | 2 847 | 30 075 | 28 476 |

See also Note 20, 21 and 22 for further information.

# Note 20 – Financial risk management

## Capital management

The group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital based on the following gearing ratio: Net debt as per note / Total equity

The Group's capital consists of net interest-bearing debt and equity:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Cash and cash equivalents | 17 397 | 18 419 |
| Borrowings – repayable within one year | - | 10 000 |
| Borrowings – repayable after one year | 127 811 | 102 627 |
| Net debt | 110 413 | 94 208 |
| Total equity | 15 651 | 30 002 |
| Net gearing (Net debt to total equity ratio) | 705% | 314% |

## Financial risks

Infront is exposed to financial risks, such as currency risk, interest rate risk, credit risk and liquidity risk.

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.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Market risk - foreign exchange | Future commercial transactions. Recognized financial assets and liabilities not denominated in EUR. | Cash flow forecasting. Sensitivity analysis. | no usage of risk instruments |
| Market risk - interest rate | Long-term borrowings at variable rates | Sensitivity analysis | no usage of risk instruments |
| Credit risk | Cash and cash equivalents, trade receivables, derivative financial instruments, debt investments and contract assets | Ageing analysis. Credit ratings. | Diversification of bank deposits, credit limits and letters of credit. Investment guidelines for debt investments. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities. |

## Market Risk - Foreign exchange

The group is exposed to currency risks both for its transaction exposure and translation exposure. The Group have subsidiaries in Sweden, Finland, Denmark, France, United Kingdom, South Africa, Italy, Germany, Belgium, Netherlands, and Switzerland. 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. Fluctuations in currency exchange rates, particularly exchange rates between EUR against NOK, SEK, DKK, GBP, and USD, have had, and are likely to continue to have, a significant transactional impact on the Infront Group's results of operations. The Group has historically not actively hedged its foreign exchange exposure.

On October 14, 2021, Infront successfully printed a new EUR 130 million senior secured 5-year bond issue with a coupon of 3M Euribor + 425 bps (previously + 575 bps). Net proceeds from the bond issuance will be used to refinance existing debt including the further financing of the net investment in Infront Financial Technology GmbH.

The aggregate net foreign exchange gains/losses recognized in profit or loss were:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Exchange gains (+) / losses (-) on foreign currency borrowing included in finance costs | 2 659 | -2 943 |
| Total net foreign exchange gains (+) / losses (-) recognized in profit before income tax for the period | 2 659 | -2 943 |

## Sensitivity

If the following currencies had strengthened/weakened by 5% and 10% against the EUR, it would have had the below effect on the group's profit:

| (EUR 1.000) | 31 December 2021 | | 31 December 2020 | |
|---|---|---|---|---|
| | -5% | 5% | -5% | 5% |
| DKK | - 138 | 138 | - 140 | 140 |
| GBP | 3 | - 3 | 2 | - 2 |
| NOK | - 495 | 495 | 1 000 | -1 000 |
| SEK | 73 | - 73 | - 379 | 379 |
| USD | 66 | - 66 | 50 | - 50 |
| ZAR | 10 | - 10 | 11 | - 11 |

| (EUR 1000) | 31 December 2021 | | 31 December 2020 | |
|---|---|---|---|---|
| | -10% | 10% | -10% | 10% |
| DKK | - 276 | 276 | - 279 | 279 |
| GBP | 5 | - 5 | 4 | - 4 |
| NOK | - 991 | 991 | 1 999 | -1 999 |
| SEK | 146 | - 146 | - 758 | 758 |
| USD | 132 | - 132 | 101 | - 101 |
| ZAR | 21 | - 21 | 21 | - 21 |

## Market Risk - Interest rate risk

The Infront Group is exposed to interest rate risk in relation to the Bond Issue and its other loan agreements. Although the Company aims to minimize the risk of changes in interest rates by entering adequate hedging transactions, interest rate fluctuations could have a negative effect on the Company's business, financial condition, results of operations and cash flows. Currently, there are no interest rate hedging activities.

The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. With the current market situation with low interest rates the Group has not considered hedging the interest rate risk in 2021 but will assess the need for additional risk management efforts on a continuous basis.

The group's borrowings and receivables are carried at amortized cost.

The exposure of the group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

| (EUR 1.000) | 2021 | % of total loans | 2020 | % of total loans |
|---|---|---|---|---|
| Variable rate borrowings | 127 811 | 100% | 112 627 | 100% |
| Other borrowings – repricing dates: | | | | |
| - 6 months or less | | | | |
| - 6 – 12 months | | | | |
| - 1 – 5 years | | | | |
| - Over 5 years | | | | |
| | 127 811 | 100% | 112 627 | 100% |

An analysis by maturities is provided in Note 22. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings is 100%.

## Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges of borrowings and the fair value of debt investments at fair value through other comprehensive income.

| (EUR 1.000) | Impact on post tax profit | | Impact on equity | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Interest rates – increase by 70 basis points* | 895 | - 788 | 895 | - 788 |
| Interest rates – decrease by 100 basis points* | 1 278 | 1 126 | 1 278 | 1 126 |

* Holding all other variables constant

### 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. Despite COVID-19, customers seem to be liquid and the industry robust. In recent years, losses varied from EUR 20 – 50 thousand per year. Provisions for losses are made based on actually incurred historical losses. For details refer to Note 21 Financial instruments and Note 16 Trade 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 using bank overdrafts and bank loan facilities. Approximately 19% of the Groups debt will mature in less than one year on December 31, 2021 (2020: 27%) based on the carrying value of borrowings reflected in the financial statements (maturity analysis is presented in Note 22). 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.

Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents (Note 17) based on expected cash flows. This is generally carried out at local level in the operating companies of the group, in accordance with practice and limits set by the group. These limits vary by location to consider the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

# Note 21 – Financial instruments by category

## Accounting polices

A financial instrument is a contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments are generally recognized as soon as the group becomes a party to the terms of the financial instrument.

### Financial assets

Financial assets include, in particular, cash and cash equivalents, trade receivables and other loans and receivables. Financial instrument classification is based on the business model in which the instruments are held as well as the structure of the contractual cash flows.

### Financial assets measured at amortized cost

Financial assets measured at amortized cost are non-derivative financial assets with contractual payments that consist exclusively of payments of interest and principal on the outstanding nominal amount and are held with the objective of collecting the contractually agreed cash flows, such as loans and receivables, trade receivables or cash and cash equivalents (the "hold" business model).

After initial recognition, these financial assets are measured at amortized cost using the effective interest method less impairment. Gains and losses are recognized in profit or loss when the loans and receivables are impaired or derecognized. Interest effects from the application of the effective interest method and effects from currency translation are also recognized through profit or loss.

### Financial liabilities

Financial liabilities regularly give rise to a redemption obligation in cash or another financial asset. These include in particular bonds and other securitized liabilities, trade payables, liabilities to banks, liabilities to affiliated companies and derivatives designated as hedges. Financial liabilities are classified into the following categories:

- Financial liabilities measured at fair value through profit or loss, and
- Financial liabilities measured at amortized cost.

Upon initial recognition, financial liabilities are measured at fair value. The transaction costs directly attributable to the acquisition are also recognized for all financial liabilities that are subsequently measured at fair value not through profit or loss. Trade payables and other non-derivative financial liabilities are generally measured at amortized cost using the effective interest method. A financial liability is derecognized when the obligation underlying the liability is discharged, cancelled, or expires.

### Fair Value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This applies regardless of whether the price is directly observable or estimated using a valuation method.

The fair value is not always available as a market price but must be calculated based on a range of valuation parameters. For this purpose, various categories are established in which, depending on the availability of observable parameters and the significance of these parameters for determining the fair value, the following levels apply:

- Level 1: Prices quoted on active markets for identical assets and liabilities
- Level 2: Input parameters other than level 1 that are either directly observable for the asset or liability or can be derived indirectly from other prices
- Level 3: Input parameters that are not observable for the asset or liability

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

### Hedges

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

Carrying amount of financial assets and liabilities divided into categories:

| (EUR 1.000) | Notes | 2021 | 2020 |
|---|---|---|---|
| Financial assets | | | |
| Financial assets at amortized cost | | | |
| - Other non-current assets | | 313 | 271 |
| - Trade receivables and other current assets | 15, 16 | 10 604 | 9 225 |
| - Cash and cash equivalents | 17 | 17 397 | 18 419 |
| Financial assets measured at fair value through profit or loss | | - | 13 |
| | | 28 314 | 27 928 |
| | | | |
| Financial liabilities | | | |
| Liabilities at amortized cost | | | |
| - Non-current and current borrowings | 22 | 127 811 | 112 627 |
| - Lease liabilities | 24 | 9 428 | 11 125 |
| - Trade and other financial liabilities | 19 | 25 091 | 23 882 |
| Financial liabilities measured at fair value through profit or loss | | 1 317 | 2 207 |
| | | 163 647 | 149 841 |

The Group's financial assets and liabilities measured at fair value, analysed by valuation method:

| (EUR 1.000) | Level 1 | Level 2 | Level 3 | Total 2021 |
|---|---|---|---|---|
| Financial liabilities measured at fair value through profit or loss | - | 1 317 | - | 1 317 |

| (EUR 1.000) | Level 1 | Level 2 | Level 3 | Total 2020 |
|---|---|---|---|---|
| Financial assets measured at fair value through profit or loss | - | 13 | - | 13 |
| Financial liabilities measured at fair value through profit or loss | - | 2 207 | - | 2 207 |

The group’s exposure to various risks associated with the financial instruments is discussed in Note 20. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

# Note 22 – Borrowings and other interest-bearing liabilities

## Accounting principles

Refer to Note 20 and 21 Financial instruments for the description of the accounting principles.

## Description

### Bond issue

On October 14, 2021, Infront successfully printed a new EUR 130 million senior secured 5-year bond issue with a coupon of 3M Euribor + 425 bps (previously + 575 bps). Net proceeds from the bond issuance will be used to refinance existing debt and for general corporate purposes. The issuer may issue additional bonds subject to certain criteria's including certain level of leverage ratio and interest cover ratio. The issuer may redeem all or some of the outstanding bonds at any time. In the case of early redemption, the Group must pay a premium.

On the transaction date the group also entered a new revolving credit facility (RCF) amounting to EUR 25 million. On December 31, 2021, the RCF has not yet been drawn. In accordance with the terms of the RCF it must also be cleaned down once every 12 months for 2 consecutive days.

The group has covenant related to Net Total Leverage Ratio (Total Net Debt over a specified EBITDA). The definitions of Total Net Debt and the specified EBITDA is set out in the loan facility documents available on Oslo Børs. The Net Total Leverage Ratio must be below 5.25 in 2021, below 5.00 at any date in 2022 and 2024 and below 4.75 at any date in 2025 and 2026. The highest amount of Net Total Leverage Ratio was at reporting date December 31, 2021, in the amount of 4.82 (highest amount 2020: 6.43; December 31, 2020: 4.98).

### Other financial liabilities

Other financial liabilities arised from an asset deal in acquisition of SIX Financial Information's Nordic news and terminal business on October 31, 2016, and will be payable quarterly until August 2023.

Maturity profile of the Group's interest-bearing liabilities (contractual amounts):

| (EUR 1.000) | Less than 1 year | 1-3 years | 3-5 years | Over 5 years | Total 2021 |
|---|---|---|---|---|---|
| Borrowings (excluding leases) | - | - | 130 000 | - | 130 000 |
| Other financial liabilities | 693 | 624 | - | - | 1 317 |
| Trade payables | 10 766 | - | - | - | 10 766 |
| Total non-derivatives | 11 459 | 624 | 130 000 | - | 142 083 |

| (EUR 1.000) | Less than 1 year | 1-3 years | 3-5 years | Over 5 years | Total 2020 |
|---|---|---|---|---|---|
| Non-derivatives | | | | | |
| Borrowings (excluding leases) | 10 000 | 105 000 | - | - | 115 000 |
| Other financial liabilities | 845 | 1 392 | - | - | 2 244 |
| Trade payables | 12 901 | - | - | - | 12 901 |
| Total non-derivatives | 23 746 | 106 392 | - | - | 130 145 |

Interest payments for the borrowings were EUR 6.5 million (2020: EUR 8.6 million).

For the maturity profile of lease liabilities, see Note 24.

Changes in liabilities arising from financing activities:

| (EUR 1.000) | Loans and borrowings | Other financial liabilities | Total 2021 |
|---|---|---|---|
| As of January 1, 2021 | 112 627 | 2 207 | 114 834 |
| Changes from financing cash flows | | | |
| Repayment of borrowings | -120 000 | - | -120 000 |
| Proceed from borrowings | 135 000 | - | 135 000 |
| Changes from investing cash flows | - | - 844 | - 844 |
| Effect of changes in foreign exchange rates | - 109 | - 29 | - 138 |
| Other | 293 | - 17 | 276 |
| As of December 31, 2021 | 127 811 | 1 317 | 129 128 |
| | | | |
| Non-current liabilities | 127 811 | 624 | 128 435 |
| Current liabilities | - | 693 | 693 |
| Total non-current and current liabilities | 127 811 | 1 317 | 129 128 |

| (EUR 1.000) | Loans and borrowings | Other financial liabilities | Total 2020 |
|---|---|---|---|
| As of January 1, 2020 | 111 757 | 3 119 | 114 876 |
| Changes from financing cash flows | | | |
| Repayment of borrowings | - | - | - |
| Proceed from borrowings | - | - | - |
| Changes from investing cash flows | - | - 808 | - 808 |
| Effect of changes in foreign exchange rates | 1 684 | 85 | 1 769 |
| Other | - 814 | - 189 | -1 003 |
| As of December 31, 2020 | 112 627 | 2 207 | 114 834 |
| | | | |
| Non-current liabilities | 102 627 | 1 362 | 103 989 |
| Current liabilities | 10 000 | 845 | 10 845 |
| Total non-current and current liabilities | 112 627 | 2 207 | 114 834 |

## Guarantees

The Group has provided guarantees of EUR 74.3 million (2020: EUR 76.1 million).

# Note 23 – Share capital and shareholder information

Infront AS 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.

| 2021 | Number of Shares | Nominal amount (EUR) | Book Value |
|---|---|---|---|
| Ordinary shares | 43 425 390 | 0.001 | 35 535 |
| Total | 43 425 390 | 0.001 | 35 535 |

| 2020 | Number of Shares | Nominal amount (EUR) | Book Value |
|---|---|---|---|
| Ordinary shares | 43 425 390 | 0.001 | 35 535 |
| Total | 43 425 390 | 0.001 | 35 535 |

Since the General Meeting May 10, 2019, the Board of Directors has the power of attorney for capital increase and retaining of the Company's own shares.

## Ownership structure

Largest shareholders as of December 31, 2021:

| Name | Number of shares | % of shares |
|---|---|---|
| DASH BidCo AS | 43 425 390 | 100.0% |
| Total number of shares | 43 425 390 | 100.0% |

Largest shareholders as of December 31, 2020:

| Name | Number of shares | % of shares |
|---|---|---|
| LINDEMAN AS CIO | 6 000 000 | 13.8% |
| NESBAK AS CEO | 5 340 000 | 12.3% |
| KARBON INVEST AS | 3 143 208 | 7.2% |
| State Street Bank and Trust Comp | 2 750 000 | 6.3% |
| SOLE ACTIVE AS | 2 445 048 | 5.6% |
| STRAWBERRY CAPITAL AS | 2 247 437 | 5.2% |
| State Street Bank and Trust Comp | 2 137 000 | 4.9% |
| HSBC Bank Plc | 2 031 915 | 4.7% |
| Citibank, N.A. | 1 342 651 | 3.1% |
| Skandinaviska Enskilda Banken AB | 1 225 931 | 2.8% |
| ALTITUDE CAPITAL AS | 839 932 | 1.9% |
| MP PENSJON PK | 741 413 | 1.7% |
| VERDIPAPIRFONDET DNB SMB | 640 966 | 1.5% |
| STRØMSTANGEN AS | 608 771 | 1.4% |
| BRUNNUDDEN KAPITAL AS | 608 771 | 1.4% |
| VASSBOTN | 606 899 | 1.4% |
| Rational Asset Management Equity L | 576 909 | 1.3% |
| Goldman Sachs International | 541 559 | 1.2% |
| Remaining shareholders | 9 596 980 | 22.1% |
| Total number of shares | 43 425 390 | 100.0% |

# Note 24 – Leasing

## Accounting policies

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

- Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- adjusts specific to the lease, e.g., term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured initially at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Extension and termination options

Extension and termination options are included in several property and equipment leases across the group. These are used to maximize operational flexibility in terms of managing the assets used in the group's operations. Most of the extension and termination options held are exercisable only by the group and not by the respective lessor.

## Description

### Statement of financial position

The following amounts relating to leases are recognised in statement of financial position:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Right of use assets | | |
| Property | 8 498 | 10 053 |
| Equipment | 51 | 70 |
| Cars | 271 | 293 |
| Other | 59 | 284 |
| Total | 8 879 | 10 700 |
| | | |
| Lease liabilities | | |
| Current | 2 273 | 2 009 |
| Non-Current | 7 155 | 9 116 |
| Total | 9 428 | 11 125 |

## Income statement

The following amounts relating to leases are recognised in profit or loss:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Expenses relating to short-term leases | - 142 | - 128 |
| Expenses relating to leases of low-value | - | - 18 |
| Expenses relating to variable lease payments not included in lease liabilities | - | - |
| Income from subleasing right of use assets | - | - |
| Gains or losses arising from sale and leaseback transactions | - | - |
| Gross operating income (expenses) | - 142 | - 146 |
| Depreciation of right-of-use asset | | |
| Properties | -2 063 | -1 953 |
| Equipment | - 38 | - 74 |
| Cars | - 208 | - 183 |
| Others | - 225 | - 249 |
| Operating profit (loss) | -2 534 | -2 459 |
| Interest expense on lease liabilities | - 399 | - 464 |
| Profit (loss) before taxes | -2 933 | -2 923 |

The group's agreements consist of buildings, cars, equipment used in the operating activities and office machines. Cars usually have a lease period of 5 years, while several of the buildings have a longer time frame. The office machines are leased in a 3–5-year period. Some building leases have extension options, and this has been considered.

Set out below are the carrying amounts of right-of-use assets and the movements during the period:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Acquisition cost January 1, | 15 399 | 15 906 |
| Currency translation differences | 153 | - 74 |
| Addition of new contracts | 186 | 559 |
| Change in current contracts | 403 | -1 044 |
| Change in consolidation group | - | 52 |
| Acquisition costs December 31, | 16 141 | 15 399 |
| | | |
| Accumulated depreciation and impairment January 1, | -4 699 | -2 235 |
| Currency translation differences | - 46 | - 5 |
| Change in current contracts | 17 | - |
| Depreciation | -2 534 | -2 459 |
| Accumulated depreciation and impairment December 31, | -7 262 | -4 699 |
| | | |
| Total right-of-use assets as of December 31, | 8 879 | 10 700 |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| As of January 1, | 11 125 | 13 926 |
| Currency translation differences | 113 | - 79 |
| New lease liabilities in the period | 186 | 585 |
| Change in current contracts | 421 | -1 070 |
| Leasing payments for the principal portion of the lease liability | -2 816 | -2 754 |
| Interest expenses on lease liabilities | 399 | 464 |
| Change in consolidation group | - | 53 |
| Total lease liabilities on December 31, | 9 428 | 11 125 |

The table below summarises the maturity profile of lease liabilities based on contractual undiscounted payments:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Less than 1 year | 2 562 | 2 681 |
| 1-3 years | 4 415 | 4 735 |
| 3-5 years | 2 757 | 3 936 |
| Over 5 years | 415 | 1 277 |
| Total | 10 149 | 12 629 |

## Statement of cash flows

The following amounts related to leases are recognized in the statement of cash flows:

| (EUR 1.000) | 2021 | 2020 |
|---|---|---|
| Net cash flow from operating activities | - 142 | - 146 |
| Net cash flow from financing activities | -2 816 | -2 754 |
| Total | -2 958 | -2 900 |

The principal portion of lease payments are classified as cash flow from financing activities. The lease payments related to short-term and low-value leases are classified as cash flow from operating activities.

# Note 25 – Share-based payments

## Accounting principles

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of the shares that will eventually vest, adjusted for the effect of non-market-based vesting conditions.

For cash-settled share-based payments, a liability is recognized for outstanding remuneration and measured at fair value. Until settlement of the liability, the fair value of the liability is reassessed at each balance sheet date and settlement date and any changes in fair value are recognized through profit or loss.

### 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 considers 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 structure similar duration as the option program.

## Description

Due to the acquisition of Infront on June 16, 2021, 2 579 755 vested options have been cancelled against a payment, for each option, of any positive net difference between the Offer Price of NOK 40 and the Strike Price. 1 779 236 options had a strike price of NOK 19.4 and 800 519 options NOK 23.53. The total payment amount of the cash consideration was NOK 49.8 million.

The share option program consisted of nine tranches:

| 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 | Forfeited options | Remaining share options |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Tranche I | 928 096 | 23.53 | 26.06.2018 | 26.06.2019 | 26.06.2023 | N/A | 266 840 | - 266 840 | | | - |
| Tranche II | 1 317 683 | 23.53 | 26.06.2018 | 26.06.2020 | 26.06.2023 | N/A | 266 840 | - 266 840 | | | - |
| Tranche III | 1 630 066 | 23.53 | 26.06.2018 | 26.06.2021 | 26.06.2023 | N/A | 266 839 | - 266 839 | | | - |
| Tranche IV | 2 440 355 | 19.4 | 14.11.2019 | 14.11.2020 | 14.11.2024 | N/A | 406 411 | - 406 411 | | | - |
| Tranche V | 2 844 704 | 19.4 | 14.11.2019 | 14.11.2021 | 14.11.2024 | N/A | 406 411 | - 406 411 | | | - |
| Tranche VI | 3 184 171 | 19.4 | 14.11.2019 | 14.11.2022 | 14.11.2024 | N/A | 406 414 | - 406 414 | | | - |
| Tranche VII | 1 005 760 | 19.4 | 12.08.2020 | 12.08.2021 | 12.08.2025 | N/A | 186 667 | - 186 667 | | | - |
| Tranche VIII | 1 151 466 | 19.4 | 12.08.2020 | 12.08.2022 | 12.08.2025 | N/A | 186 667 | - 186 667 | | | - |
| Tranche IX | 1 277 097 | 19.4 | 12.08.2020 | 12.08.2023 | 12.08.2025 | N/A | 186 666 | - 186 666 | | | - |
| Total in 2021 | 15 779 398 | | | | | | 2 579 755 | -2 579 755 | - | - | - |

| 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 | Forfeited options | Remaining share options |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Tranche I | 928 096 | 23.53 | 26.06.2018 | 26.06.2019 | 26.06.2023 | N/A | 344 309 | | | 77 469 | 266 840 |
| Tranche II | 1 317 683 | 23.53 | 26.06.2018 | 26.06.2020 | 26.06.2023 | N/A | 344 309 | | | 77 469 | 266 840 |
| Tranche III | 1 630 066 | 23.53 | 26.06.2018 | 26.06.2021 | 26.06.2023 | N/A | 344 309 | | | 77 470 | 266 839 |
| Tranche IV | 2 440 355 | 19.4 | 14.11.2019 | 14.11.2020 | 14.11.2024 | N/A | 506 410 | | | 99 999 | 406 411 |
| Tranche V | 2 844 704 | 19.4 | 14.11.2019 | 14.11.2021 | 14.11.2024 | N/A | 506 411 | | | 100 000 | 406 411 |
| Tranche VI | 3 184 171 | 19.4 | 14.11.2019 | 14.11.2022 | 14.11.2024 | N/A | 506 415 | | | 100 001 | 406 414 |
| Tranche VII | 1 005 760 | 19.4 | 12.08.2020 | 12.08.2021 | 12.08.2025 | N/A | 186 667 | | | | 186 667 |
| Tranche VIII | 1 151 466 | 19.4 | 12.08.2020 | 12.08.2022 | 12.08.2025 | N/A | 186 667 | | | | 186 667 |
| Tranche IX | 1 277 097 | 19.4 | 12.08.2020 | 12.08.2023 | 12.08.2025 | N/A | 186 666 | | | | 186 666 |
| Total in 2020 | 15 779 398 | | | | | | 3 112 163 | - | - | 532 408 | 2 579 755 |

# Note 26 – Compensation to the Board and Executive Management

Remuneration to the Board of Directors:

| (EUR) | 2021 | 2020 |
|---|---|---|
| Morten Lindeman, chairman of the board (from June 2021) | - | - |
| Max Hofer (from June 2021) | - | - |
| Gunnar Jacobsen, chairman of the board (until June 2021) | 49 196 | 46 621 |
| Beate Skjerven Nygårdshaug, (until June 2021) | 29 518 | 25 642 |
| Mark Ivin (until June 2021) | 29 518 | 25 642 |
| Bente A. Landsnes (until June 2021) | 29 518 | 13 986 |
| Edoardo Jacucci (until June 2021) | 29 518 | 13 986 |
| Torun Anna Margareta Reinhammer (until June 2020) | - | 11 655 |
| Total Board of Directors | 167 266 | 137 532 |

Details of salary, variable pay and other benefits provided to Executive Management:

| (EUR) | Salary | Pension contribution | Share based payments | Other benefits | Total in 2021 |
|---|---|---|---|---|---|
| Kristian Nesbak, CEO (until November 2021) | 206 623 | | | 441 780 | 648 403 |
| Morten Lindeman, CIO | 212 083 | | | 353 956 | 566 038 |
| Udo Kersting, CSO | 175 000 | - | 613 126 | 117 968 | 906 094 |
| Max Hofer, CFO | 196 784 | | | 1 765 599 | 1 962 383 |
| Fredrik Koch, CTO (until November 2021) | 80 580 | 23 454 | 363 650 | 58 732 | 526 417 |
| Total Executive Management | 871 070 | 23 454 | 976 776 | 2 738 036 | 4 609 336 |

| (EUR) | Salary | Pension contribution | Share based payments | Other benefits | Total in 2020 |
|---|---|---|---|---|---|
| Kristian Nesbak, CEO | 183 591 | 4 547 | - | 58 459 | 246 597 |
| Morten Lindeman, CIO | 110 975 | 4 547 | - | 62 806 | 178 328 |
| Udo Kersting, CSO | 175 008 | - | - | 68 800 | 243 808 |
| Björn Döhrer, CPO (until October 2020) | 131 250 | - | - | 23 490 | 154 740 |
| Max Hofer, CFO | 176 598 | 4 547 | - | 91 291 | 272 436 |
| Fredrik Koch, CTO (from February 2020) | 98 589 | 22 921 | - | - | 121 510 |
| Total Executive Management | 876 011 | 36 562 | - | 304 846 | 1 217 419 |

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

No particular pension scheme in place for executive management. No severance pays clauses in contracts of members of executive management team.

# Note 27 – Investments in subsidiaries

Investments in subsidiary as of December 31, 2021:

| Company | Date of acquisition | Consolidated (yes/no) | Registered office | Voting share | Ownership share |
|---|---|---|---|---|---|
| Infront Sweden AB | 14.3.2007 | yes | Stockholm | 100% | 100% |
| AB Nyhetsbyrån Direkt | 1.12.2008 | yes | Stockholm | 100% | 100% |
| CatalystOne AS | 30.10.2009 | yes | Oslo | 100% | 100% |
| Infront Analytics SAS | 4.6.2012 | yes | Paris | 100% | 100% |
| Infront Financial Information Ltd | 3.7.2015 | yes | London | 100% | 100% |
| TDN Direkt AS | 22.4.2016 | yes | Oslo | 100% | 100% |
| Infront South Africa (Pty) Ltd | 5.10.2016 | yes | Johannesburg | 100% | 100% |
| Infront Data AB | 7.3.2017 | yes | Stockholm | 100% | 100% |
| Infront Finland OY | 28.9.2017 | yes | Helsinki | 100% | 100% |
| Infront Italia S.r.l. | 29.11.2018 | yes | Milan | 100% | 100% |
| vwd Holding GmbH | 30.4.2019 | yes | Frankfurt/Main | 100% | 100% |
| Infront Financial Technology GmbH | 17.7.2019 | yes | Frankfurt/Main | 100% | 100% |
| Infront Financial Technology AG | 17.7.2019 | yes | Zurich | 100% | 100% |
| vwd TransactionSolutions AG | 17.7.2019 | yes | Frankfurt/Main | 60% | 60% |
| Infront Financial Technology B.V. | 17.7.2019 | yes | Amsterdam | 100% | 100% |
| Infront Quant AG | 17.7.2019 | yes | Frankfurt/Main | 100% | 100% |
| Lenz+Partner GmbH | 17.7.2019 | yes | Dortmund | 100% | 100% |
| Infront Financial Technology S.à r.l. | 17.7.2019 | yes | Luxembourg | 100% | 100% |
| Infront Financial Technology NV | 17.7.2019 | yes | Antwerp | 100% | 100% |
| NBTrader Solutions Ltd. | 18.11.2020 | yes | Kent | 100% | 100% |
| Oslo Market Solutions AS | 4.6.2021 | yes | Oslo | 100% | 100% |
| Infront Denmark ApS | 7.9.2021 | yes | Copenhagen | 100% | 100% |

With effect from January 1, 2021, vwd Group GmbH, Frankfurt/Main, was merged with vwd Holding GmbH, Frankfurt/Main.

With effect from January 1, 2021, vwd group Italia S.r.l., Milan, was merged with Infront Italia S.r.l., Milan.

Investments in subsidiary as of December 31, 2020:

| Company | Date of acquisition | Consolidated (yes/no) | Registered office | Voting share | Ownership share |
|---|---|---|---|---|---|
| Infront Sweden AB | 14.3.2007 | yes | Stockholm | 100% | 100% |
| AB Nyhetsbyrån Direkt | 1.12.2008 | yes | Stockholm | 100% | 100% |
| CatalystOne AS | 30.10.2009 | yes | Oslo | 100% | 100% |
| Infront Analytics SAS | 4.6.2012 | yes | Paris | 100% | 100% |
| Infront Financial Information Ltd | 3.7.2015 | yes | London | 100% | 100% |
| TDN Direkt AS | 22.4.2016 | yes | Oslo | 100% | 100% |
| Infront South Africa (Pty) Ltd | 5.10.2016 | yes | Johannesburg | 100% | 100% |
| Infront Data AB | 7.3.2017 | yes | Stockholm | 100% | 100% |
| Infront Finland OY | 28.9.2017 | yes | Helsinki | 100% | 100% |
| Infront Italia S.r.l. | 29.11.2018 | yes | Milan | 100% | 100% |
| vwd Holding GmbH | 30.4.2019 | yes | Frankfurt/Main | 100% | 100% |
| vwd Group GmbH | 17.7.2019 | yes | Frankfurt/Main | 100% | 100% |
| Infront Financial Technology GmbH | 17.7.2019 | yes | Frankfurt/Main | 100% | 100% |
| Infront Financial Technology AG | 17.7.2019 | yes | Zurich | 100% | 100% |
| vwd group Italia S.r.l. | 17.7.2019 | yes | Milan | 100% | 100% |
| vwd TransactionSolutions AG | 17.7.2019 | yes | Frankfurt/Main | 60% | 60% |
| Infront Financial Technology B.V. | 17.7.2019 | yes | Amsterdam | 100% | 100% |
| Infront Quant AG | 17.7.2019 | yes | Frankfurt/Main | 100% | 100% |
| Lenz+Partner GmbH | 17.7.2019 | yes | Dortmund | 100% | 100% |
| Infront Financial Technology S.à r.l. | 17.7.2019 | yes | Antwerp | 100% | 100% |
| Infront Financial Technology NV | 17.7.2019 | yes | Antwerp | 100% | 100% |
| NBTrader Solutions Ltd. | 18.11.2020 | yes | Kent | 100% | 100% |

## Note 28 – Contingencies and legal claims

The Group has not been involved in any legal or financial disputes in 2021, where an adverse outcome is considered more likely than remote.

## Note 29 – Events after the reporting period

With effect from January 1, 2022, Infront Data AB, Stockholm, was merged with Infront Sweden AB, Stockholm.

With effect from January 1, 2022, Oslo Market Solutions AS, Oslo, was merged with Infront AS, Oslo.

With effect from April 7, 2022, Zlatko Vucetic (Chairman), Sergio Ferrarini (Member), Eli Cathrine Rohr Disch (Member), Robert Andrew John Dagger (Member) and Robert Jeanbart (Member) were admitted to the Board of Directors.

Infront has determined that the effects of the COVID-19 outbreak continue to have no impact on the amounts recognized in the balance sheet of this financial statement. Infront is fully aware of the ongoing conflict between Russia and Ukraine. We are very concerned about this conflict and closely follow its further development. We would like to reassure our customers and business partners that our service delivery is and will not be affected at all by this conflict or by international economic sanctions against Russia. We have reviewed our organizational setup in the light of this conflict as part of our regular risk management and can confirm that we do not have business-critical dependencies in either Ukraine or Russia. We are aware of and are taking particular care of our personnel and customers with personal ties to the area. We are also aware of the generally increased cyber-warfare activity but do not observe significantly more attacks at the time of writing. At Infront we generally ensure the confidentiality, integrity and availability of our systems and our customers' data by enforcing multiple levels of security measures to proactively limit the attack surface of our systems to a minimum. Nonetheless, we have created custom alerts to detect any activity that may be associated with this conflict and track any further development on this topic as part of our general vulnerability management process and security operations.

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

# INFRONT AS - ANNUAL ACCOUNTS REPORT 2021

## Income statement for the year ended 31 December

| (NOK 1.000) | Note | 2021 | 2020 |
|---|---|---|---|
| Revenues | 2 | 307 471 | 244 648 |
| Total operating revenues | | 307 471 | 244 648 |
| | | | |
| Raw materials and consumables used | | 185 200 | 149 072 |
| Payroll expenses | 3 | 64 600 | 61 469 |
| Depreciation and amortization | 4, 5 | 12 760 | 13 720 |
| Other operating expenses | 3, 14 | 40 641 | 36 089 |
| Total operating expenses | | 303 201 | 260 350 |
| Operating profit | | 4 270 | - 15 702 |
| | | | |
| Income from subsidiaries and other Group entities | | 10 403 | 16 885 |
| Interest income | | 30 424 | 35 232 |
| Other financial income | | 27 022 | - |
| Interest expenses | | - 73 739 | - 72 236 |
| Other financial expenses | | - 53 599 | - 40 874 |
| Financial income/ (expenses) - net | 11 | - 59 489 | - 60 993 |
| | | | |
| Tax on ordinary result | 6 | - | 3 190 |
| Profit for the year | | - 55 219 | - 79 886 |
| | | | |
| Allocated to equity | 7 | - 55 219 | - 79 886 |
| Net disposition of profit | | - 55 219 | - 79 886 |

# Statement of financial position as of 31 December

| (NOK 1.000) | Note | 2021 | 2020 |
|---|---|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | | | |
| Research and development | 5 | 12 015 | 11 722 |
| Customer contracts | 5 | 22 757 | 27 673 |
| Deferred tax asset | 6 | 20 731 | 20 731 |
| Total intangible assets | | 55 503 | 60 126 |
| | | | |
| Tangible fixed assets | 4 | | |
| Buildings and land | | 947 | 1 201 |
| Equipment and other movables | | 918 | 901 |
| Total tangible fixed assets | | 1 865 | 2 102 |
| | | | |
| Financial assets | | | |
| Investments in subsidiaries | 9 | 912 156 | 871 003 |
| Loan to group companies | 9 | 383 555 | 513 281 |
| Other long-term assets | | 226 | 225 |
| Total financial assets | | 1 295 937 | 1 384 509 |
| Total non-current assets | | 1 353 305 | 1 446 737 |
| | | | |
| Current assets | | | |
| Receivables | | | |
| Accounts receivables | | 3 674 | 4 180 |
| Other receivables | | 7 406 | 2 863 |
| Current receivables group companies | 9 | 170 350 | 299 087 |
| Total debtors | | 181 430 | 306 130 |
| | | | |
| Cash and bank deposits | 12 | 3 201 | 7 018 |
| Total current assets | | 184 631 | 313 148 |
| TOTAL ASSETS | | 1 537 936 | 1 759 885 |

| (NOK 1.000) | Note | 2021 | 2020 |
|---|---|---|---|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 7 | 4 343 | 4 343 |
| Share premium | | 336 064 | 336 064 |
| Share option program | | - 5 126 | - 5 126 |
| Total restricted equity | | 335 281 | 335 281 |
| | | | |
| Retained earnings | | | |
| Other equity | | - 216 838 | - 75 555 |
| Total retained earnings | | - 216 838 | - 75 555 |
| Total equity | | 118 443 | 259 726 |
| | | | |
| Liabilities | | | |
| Non-current liabilities | | | |
| Bond | 13 | 1 276 675 | 1 179 239 |
| Other non-current liabilities | | 4 997 | 14 650 |
| Total non-current liabilities | | 1 281 672 | 1 193 889 |
| | | | |
| Current liabilities | | | |
| Trade creditors | | 3 962 | 5 974 |
| Public duties payable | | 4 385 | 4 112 |
| Current payables group companies | 9 | 57 930 | 241 865 |
| Other current liabilities | 10 | 71 544 | 54 319 |
| Total current liabilities | | 137 821 | 306 270 |
| Total liabilities | | 1 419 493 | 1 500 159 |
| TOTAL EQUITY AND LIABILITIES | | 1 537 936 | 1 759 885 |

Oslo, April 27, 2022

| | | |
|---|---|---|
| Zlatko Vucetic | Sergio Ferrarini | Eli Cathrine Rohr Disch |
| CEO and Chairman of the Board | Member of the Board | Member of the Board |
| Robert Jeanbart | | Robert Andrew John Dagger |
| Member of the Board | | Member of the Board |

# Statement of cash flows for the year ended 31 December

| (NOK 1.000) | Note | 2021 | 2020 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Profit (loss) before tax | | - 55 219 | - 76 696 |
| Adjustments for | | | |
| Depreciation, amortization and net impairment losses | 4, 5 | 12 760 | 13 719 |
| Dividend/Group Contribution | | - 31 648 | 6 376 |
| Interest expense | 11 | 73 739 | 72 237 |
| Interest income | 11 | - 30 424 | - 35 232 |
| Change in accounts receivables | | - 2 112 | 6 556 |
| Change in other accruals | | 3 567 | 78 030 |
| Change in trade and other payables | | 110 244 | - 193 674 |
| Net cash inflow (outflow) from operating activities | | 80 907 | - 128 684 |
| | | | |
| Cash flows from investing activities | | | |
| Payment for acquisition of subsidiary, net of cash acquired | | - 41 153 | - 2 216 |
| Payment for property, plant and equipment and intangible assets | 4, 5 | - 7 899 | - 7 948 |
| Net cash inflow (outflow) from investing activities | | - 49 052 | - 10 164 |
| | | | |
| Cash flows from financing activities | | | |
| Cash settlement from option exercise | | - 49 837 | - |
| Net proceeds from borrowing | | - 104 703 | - |
| Net proceeds from bond issue | | 199 162 | - |
| Net proceeds from loan to subsidiaries | | 129 726 | 32 045 |
| Net proceeds cash pool | | - 166 705 | 105 861 |
| Interest expense | 11 | - 73 739 | - 72 237 |
| Interest income | 11 | 30 424 | 35 232 |
| Net cash inflow (outflow) from financing activities | | - 35 672 | 100 901 |
| | | | |
| Net increase/(decrease) in cash and cash equivalents | | - 3 817 | - 37 947 |
| Cash and cash equivalents at the beginning of period | | 7 018 | 44 965 |
| Cash and cash equivalents December 31, | | 3 201 | 7 018 |

# NOTES TO THE PARENT COMPANY ANNUAL ACCOUNTS

## Note 1 – 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. Please refer to Note 7 in the group's disclosures.

### 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. Impairment losses recognized are reversed when the basis for the impairment loss is no longer evident.

### Intangible assets

Expenditure on development activities is capitalized if the project is technically and commercially feasible, the entity 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. After completion, capitalized development costs are amortized systematically over a useful life.

### Investments in other companies

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 is 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 based on 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 defined as operating leasing agreements. These are not capitalized in the balance sheet.

Taxes

The income tax expense is comprised of both tax payable (22%) 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 include cash, bank deposits and other short term, highly liquid investments.

Presentation and functional currency

The presentation and functional currency of Infront AS is NOK.

# Note 2 – Revenue

| (NOK 1.000) | 2021 | 2020 |
|---|---|---|
| Norway | | |
| Subscription-based revenues* | 58 523 | 51 425 |
| Subscription-based revenues (consultancy fee) | 379 | 704 |
| Total subscription-based revenues* | 58 902 | 52 129 |
| Other revenue | 1 370 | 860 |
| Total | 60 272 | 52 989 |
| | | |
| Abroad | | |
| Subscription-based revenues* | 247 108 | 190 155 |
| Subscription-based revenues (consultancy fee) | 91 | 1 504 |
| Total subscription-based revenues* | 247 199 | 191 659 |
| Total | 247 199 | 191 659 |
| | | |
| Total revenues | 307 471 | 244 648 |

*Subscription based revenues consist of terminal and solution subscription revenue which was obtained on a regular monthly (up to annual) basis and recurring.

Please refer to Note 9 about sales to related parties.

# Note 3 – Wages and employee benefits expenses, management remuneration and auditor's fee

| (NOK 1.000) | 2021 | 2020 |
|---|---|---|
| Wages and salaries | 50 732 | 49 876 |
| Social security | 9 600 | 8 676 |
| Pension expenses | 1 832 | 1 492 |
| Other benefits | 2 436 | 1 425 |
| Total | 64 600 | 61 469 |

As of December 31, 2021, the company has a total of 58 (66) employees and performed 58 (58) 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 2021, NOK 1 832 thousand (NOK 1 492 thousand in 2020), is regarded as the pension cost for the period.

For remuneration of executive management please refer to Note 26 in the group's disclosures. Kristian Nesbak (CEO), Morten Lindeman (CIO) and Max Hofer (CFO) are employed by the parent company.

Auditor's fee excluding VAT consists of the following:

| (NOK 1.000) | 2021 | 2020 |
|---|---|---|
| Audit fee PWC - related 2021 audit | 792 | - |
| Audit fee PWC - related 2020 audit | 268 | 300 |
| Audit fee BDO - related 2019 audit | - | 1 262 |
| Other audit related services PWC | - | 241 |
| Other audit related services BDO | - | 88 |
| Total auditor's fee | 1 060 | 1 891 |

## Share options

Please refer to Note 25 and 26 in the group's disclosures.

# Note 4 –Equipment and fixtures

Equipment and fixtures have developed at year ended December 31, 2021, as follows:

| (NOK 1.000) | Equipment and other movables | Buildings and land | Total |
|---|---|---|---|
| Opening balance accumulated cost | 8 603 | 1 637 | 10 241 |
| Additions | 127 | - | 127 |
| Closing balance accumulated cost | 8 730 | 1 637 | 10 368 |
| | | | |
| Opening balance accumulated depreciation and impairment | 7 703 | 436 | 8 139 |
| Depreciations for the year | 111 | 254 | 365 |
| Closing balance accumulated depreciation and impairment | 7 814 | 690 | 8 504 |
| | | | |
| Closing net book amount | 916 | 947 | 1 864 |
| | | | |
| Estimated useful life, depreciation plan is as follows: | | | |
| Economic life | 3-5 years | 3-5 years | |
| Depreciation plan | Linear | Linear | |

Equipment and fixtures have developed at year ended December 31, 2020, as follows:

| (NOK 1.000) | Equipment and other movables | Buildings and land | Total |
|---|---|---|---|
| Opening balance accumulated cost | 8 384 | 1 637 | 10 022 |
| Additions | 219 | - | 219 |
| Closing balance accumulated cost | 8 603 | 1 637 | 10 241 |
| | | | |
| Opening balance accumulated depreciation and impairment | 7 492 | 183 | 7 676 |
| Depreciations for the year | 210 | 254 | 464 |
| Closing balance accumulated depreciation and impairment | 7 703 | 436 | 8 139 |
| | | | |
| Closing net book amount | 901 | 1 201 | 2 102 |

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

# Note 5 – Intangible assets

Intangible assets have developed at year ended December 31, 2021, as follows:

| (NOK 1.000) | Research & Development | Customer contracts | Total |
|---|---|---|---|
| Opening balance accumulated cost | 95 125 | 47 662 | 142 787 |
| Additions | 7 772 | - | 7 772 |
| **Closing balance accumulated cost** | **102 897** | **47 662** | **150 559** |
| | | | |
| Opening balance accumulated depreciation and impairment | 83 403 | 19 989 | 103 392 |
| Depreciations for the year | 7 479 | 4 916 | 12 395 |
| Closing balance accumulated depreciation and impairment | 90 882 | 24 905 | 115 787 |
| | | | |
| Closing net book amount | 12 015 | 22 757 | 34 772 |

| | | | |
|---|---|---|---|
| Estimated useful life, depreciation plan is as follows: | | | |
| Economic life | 3 years | 10 years | |
| Depreciation plan | Linear | Linear | |

Intangible assets have developed at year ended December 31, 2020, as follows:

| (NOK 1.000) | Research & Development | Customer contracts | Total |
|---|---|---|---|
| Opening balance accumulated cost | 88 222 | 47 662 | 135 884 |
| Reclassification acquisition cost | - 825 | - | - 825 |
| Additions | 7 729 | - | 7 729 |
| **Closing balance accumulated cost** | **95 125** | **47 662** | **142 787** |
| | | | |
| Opening balance accumulated depreciation and impairment | 75 063 | 15 073 | 90 136 |
| Depreciations for the year | 8 340 | 4 916 | 13 256 |
| Closing balance accumulated depreciation and impairment | 83 403 | 19 989 | 103 392 |
| | | | |
| Closing net book amount | 11 722 | 27 673 | 39 396 |

| | | | |
|---|---|---|---|
| Estimated useful life, depreciation plan is as follows: | | | |
| Economic life | 3 years | 10 years | |
| Depreciation plan | Linear | Linear | |

# Note 6 – Tax

| (NOK 1.000) | 2021 | 2020 |
|---|---|---|
| Entered tax on ordinary profit/loss: | | |
| Changes in deferred tax advantage | - | 3 190 |
| Tax expense on ordinary profit/loss | - | 3 190 |
| | | |
| Taxable income: | | |
| Ordinary profit/loss before tax | - 55 219 | - 76 696 |
| Permanent differences | - 53 726 | - 6 076 |
| Changes temporary differences | 1 407 | 5 689 |
| Allocation of interest not deductible YTD to be brought forward | 43 315 | 37 010 |
| Allocation of loss to be brought forward | 64 223 | 40 072 |
| | | |
| Payable tax in the balance: | | |
| | | |
| Calculation of effective tax rate: | | |
| Profit before tax | - 55 219 | - 76 696 |
| Calculated tax on profit before tax | - 12 148 | - 16 873 |
| Tax effect of permanent differences | - 11 820 | - 1 337 |
| Effect change in temporary differences not recognized and equity trans. | 23 968 | 21 400 |
| Total | - | 3 190 |
| Effective tax rate | 0.0% | -4.2% |

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

| (NOK 1.000) | 2021 | 2020 | Difference |
|---|---|---|---|
| Tangible assets | - 4 825 | - 6 365 | - 1 540 |
| Accounts receivable | - 160 | - 190 | - 30 |
| Non-current financial liabilities | 21 869 | 24 845 | 2 976 |
| Total temporary differences - effect taxable result YTD | 16 884 | 18 290 | 1 406 |
| | | | |
| Accumulated loss to be brought forward | - 176 744 | - 112 521 | 64 223 |
| Accumulated interest not deductible YTD to be brought forward | - 142 732 | - 99 417 | 43 315 |
| Not included in the deferred tax calculation | 208 361 | 99 417 | - 108 944 |
| Basis for calculation of deferred tax | - 94 231 | - 94 231 | - |
| | | | |
| Deferred tax assets - change deferred tax (22%) | 20 731 | 20 731 | 0 |

# Note 7 – Equity

| (NOK 1.000) | Share capital | Share premium | Paid-up equity | Share issue – not registered | Other equity | Total |
|---|---|---|---|---|---|---|
| Balance on January 1, 2020 | 4 333 | 334 155 | - 5 126 | 1 919 | - 1 760 | 333 521 |
| | | | | | | |
| Share Option program | | | | | 6 091 | 6 091 |
| Profit for the period | | | | | - 79 886 | - 79 886 |
| Share issue not registered | 10 | 1 909 | | - 1 919 | | - |
| Balance on December 31, 2020 | 4 343 | 336 064 | - 5 126 | - | - 75 555 | 259 726 |
| | | | | | | |
| Share Option program | | | | | - 47 703 | - 47 703 |
| Profit for the period | | | | | - 55 219 | - 55 219 |
| Dividend | | | | | - 38 361 | - 38 361 |
| Balance on December 31, 2021 | 4 343 | 336 064 | - 5 126 | - | - 216 838 | 118 443 |

# Note 8 – Share capital and shareholder information

Please refer to Note 23 in the group's disclosure.

# Note 9 – Investments in subsidiaries

| Company | Date of acquisition | Registered office | Ownership Share | Historical cost NOK 1.000 | Book value NOK 1.000 |
|---|---|---|---|---|---|
| Infront Sweden AB | 9/28/2007 | Stockholm | 100% | 939 | 939 |
| Nyhetsbyrån Direkt AB | 10/30/2008 | Stockholm | 100% | 16 324 | 16 324 |
| Infront Finland Oy | 9/28/2017 | Helsinki | 100% | 23 | 23 |
| CatalystOne AS | 10/30/2009 | Oslo | 100% | - | - |
| Infront Analytics SAS | 5/4/2012 | Paris | 100% | 19 583 | 19 583 |
| Infront Financial Information Ltd | 7/3/2015 | London | 100% | - | - |
| TDN Finans AS | 5/1/2016 | Oslo | 100% | 18 809 | 18 809 |
| Infront South Africa Ltd | 6/30/2016 | Johannesburg | 100% | - | - |
| Infront Data AB | 3/7/2017 | Stockholm | 100% | 16 011 | 16 011 |
| Infront Italia S.R.L. | 11/29/2018 | Milan | 100% | 792 | 792 |
| vwd Holding GmbH | 7/17/2019 | Frankfurt/Main | 100% | 801 482 | 801 482 |
| Oslo Market Solutions AS | 6/4/2021 | Oslo | 100% | 38 138 | 38 138 |
| Infront Denmark ApS | 9/3/2021 | Oslo | 100% | 55 | 55 |

| Company | Result NOK 1.000 | Equity 31 December NOK 1.000 |
|---|---|---|
| Infront Sweden AB | 1 552 | 3 203 |
| Nyhetsbyrån Direkt AB | 15 332 | 11 470 |
| Infront Finland Oy | 864 | 2 380 |
| CatalystOne AS | 280 | 121 |
| Infront Analytics SAS | 7 415 | 27 516 |
| Infront Financial Information Ltd | - 4 583 | - 13 160 |
| TDN Finans AS | 5 111 | 1 254 |
| Infront South Africa Ltd | - 1 971 | - 8 251 |
| Infront Data AB | 677 | 2 567 |
| Infront Italia S.R.L | - 6 701 | 1 028 |
| vwd Holding GmbH | - 178 584 | 614 027 |
| Oslo Market Solutions AS | 251 | 4 177 |
| Infront Denmark ApS | - | 54 |

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

| (NOK 1.000) | 2021 | 2020 |
|---|---|---|
| Trade Receivables | 108 378 | 134 283 |
| Other Receivables | 59 595 | 164 804 |
| Other long-term receivables | 383 555 | 513 281 |
| Other short-term liabilities | 38 589 | 227 319 |
| Trade payables | 7 219 | 14 546 |

### 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:

| (NOK 1.000) | | 2021 | |
|---|---|---|---|
| | | Sales to related parties | Purchases from related parties |
| TDN Finans AS | Norway | 797 | 7 550 |
| Infront SA | South Africa | 3 442 | - |
| Infront Financial Technology Netherland | The Netherlands | 2 105 | - |
| Infront Financial Information Ltd | UK | 13 540 | - |
| Infront Financial Technology Belgium | Belgium | 1 024 | - |
| CatalystOne AS | Norway | 238 | - |
| Infront Sweden AB | Sweden | 100 905 | - |
| Nyhetsbyrån Direkt AB | Sweden | 845 | 24 455 |
| Infront Data AB | Sweden | 121 | 2 346 |
| Infront Finland Oy | Finland | 8 878 | - |
| Infront Italia SRL | Italia | 15 277 | - |
| Infront Analytics SAS | France | 6 041 | 14 932 |
| Infront Financial Technology AG | Switzerland | 1 453 | 1 093 |
| Infront S.À R.L. (LUX) | Luxembourg | 4 | - |
| vwd Holding GmbH | Germany | 47 418 | 8 298 |
| vwd TS AG | Germany | 155 | - |
| Infront Quant AG (22) | Germany | 142 | - |
| Lenz+Partner GMBH (95) | Germany | 82 | - |
| Oslo Market Solutions AS | Norway | 505 | - |
| | | 202 972 | 58 674 |

| (NOK 1.000) | | 2020 | |
|---|---|---|---|
| | | Sales to related parties | Purchases from related parties |
| TDN Finans AS | Norway | 657 | 6 772 |
| Infront SA | South Africa | 2 468 | - |
| Infront Financial Technology Netherland | The Netherlands | 68 | - |
| Infront Financial Information Ltd | UK | 9 197 | - |
| Infront Financial Technology Belgium | Belgium | 370 | - |
| CatalystOne AS | Norway | 117 | - |
| Infront Sweden AB | Sweden | 102 338 | - |
| Nyhetsbyrån Direkt AB | Sweden | 204 | 22 854 |
| Infront Data AB | Sweden | - | 2 246 |
| Infront Finland Oy | Finland | 8 803 | - |
| Infront Italia SRL | Italia | 1 864 | - |
| Infront Analytics SAS | France | 3 845 | 11 243 |
| Infront Financial Technology AG | Switzerland | 192 | - |
| vwd Holding GmbH | Germany | 14 708 | 8 601 |
| | | 144 831 | 51 716 |

## Note 10 – Other current liabilities

| (NOK 1.000) | 2021 | 2020 |
|---|---|---|
| Other financial liabilities | 8 684 | 8 843 |
| Other payables | 52 819 | 34 827 |
| Personnel and other provisions | 10 041 | 10 649 |

## Note 11 – Financial items

| (NOK 1.000) | 2021 | 2020 |
|---|---|---|
| Interest income - Interest income from third parties | 3 313 | 15 |
| Interest income – Interest income from subsidiaries | 27 111 | 35 217 |
| Income from subsidiaries and other Group entities - Share of profit from subsidiaries | 10 403 | 16 885 |
| Other financial income - Profit on foreign exchange | 27 022 | - |
| Total financial income | 67 849 | 52 117 |
| | | |
| Interest expenses - Interest and financial expenses | 70 461 | 71 166 |
| Interest expenses - Interest expense subsidiaries | 3 278 | 1 071 |
| Other financial expenses - Amortization interest expense | 23 889 | 8 735 |
| Other financial expenses - Other financial expenses | - | 572 |
| Other financial expenses - Loss on foreign exchange | 29 710 | 31 566 |
| Total financial expense | 127 338 | 113 110 |
| | | |
| Net financial expense | 59 489 | 60 993 |

## Note 12 – Bank deposits

| (NOK 1.000) | 2021 | 2020 |
|---|---|---|
| Employees tax deduction, deposited in a separate bank account | 2 398 | 2 181 |
| Other bank deposits and cash | - 17 201 | - 179 872 |
| Total bank deposit and cash | - 14 803 | - 177 691 |
| Cash pool | 18 004 | 184 709 |
| Total liquid assets | 3 201 | 7 018 |

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 cash pool where the parent company Infront AS is the main account holder. All participants are jointly and severally liable for any outstanding balance on the cash pool.

## Note 13 – Debt to financial institutions

All external financing and borrowings in the Infront group is held by the parent company Infront AS. On October 14, 2021, Infront AS successfully printed a new EUR 130 million senior secured 5-year bond issue with a coupon of 3M Euribor + 425 bps (previously + 575 bps). Net proceeds from the bond issuance will be used to refinance existing debt and for general corporate purposes. Please refer to Note 22 in the group's disclosure for the details.

## Note 14 – Rental agreements and leasing

### Infront AS as lessee – financial lease agreements

Infront AS has no financial lease agreements.

### Infront AS as lessee – operating lease agreements

Infront AS has entered into several different operating lease agreements for machines, offices and other facilities. Most 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 1.000) | 2021 | 2020 |
|---|---|---|
| Ordinary lease payments | 4 231 | 4 228 |
| Total | 4 231 | 4 228 |

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

| (NOK 1.000) | 2021 | 2020 |
|---|---|---|
| Within 1 year | 3 851 | 3 866 |
| 1 to 5 years | 12 023 | 16 054 |
| Total | 15 874 | 19 920 |

## Note 15 – Events after the reporting period

Please refer to Note 29 in the group’s disclosures.

# DEFINITIONS AND GLOSSARY

Alternative Performance Measures and certain terms used

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 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 annual report see the table below.

The following definitions and glossary apply in this annual 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 |
| M&A | Mergers and acquisitions |

To the General Meeting of Infront AS

# *Independent Auditor's Report*

## *Opinion*

We have audited the financial statements of Infront AS, which comprise:

- The financial statements of the parent company Infront AS (the Company), which comprise the statement of financial position as at 31 December 2021, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Infront AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,

- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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, and

- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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.

Our opinion is consistent with our additional report to the Audit Committee.

## *Basis for Opinion*

We conducted our audit in accordance with 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 2 years from the election by the general meeting of the shareholders on 17 June 2020 for the accounting year 2020.

## *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 the current period. 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. The Company's and the Groups business activities remains largely unchanged during 2021. *Valuation of goodwill* has approximately the same risks and characteristics as last year and continues to be in our focus.

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| *Valuation of goodwill* | |
| At the balance sheet date, the net book value of goodwill was EUR 104 639 thousand, distributed to one cash generating unit (CGU). The values involved are significant and constitute a major part of total assets in the balance sheet. No impairment charge was recognized in 2021.<br><br>Management performs an annual impairment test by estimating the recoverable amount of goodwill. Determination of the recoverable amount requires application of significant judgement by management, in particular with respect to cash flow forecasts and the applied discount rate.<br><br>We focused on goodwill due to the pervasive effect of goodwill in the balance sheet and management's use of judgement in estimating the recoverable amount.<br><br>Se note 12 and 13 in the consolidated financial statements for further explanation of the performed impairment review and management's use of judgement. | We obtained an understanding of management's process related to impairment of goodwill. We obtained management's impairment assessment and evaluated whether the impairment review and the valuation model used, contained the elements, and applied the methodology required by IAS 36. We also tested the mathematical accuracy of the valuation model.<br><br>We challenged management's assumptions on future revenues and margins by comparing them to historical financial data and future budgets.<br><br>We evaluated the discount rate used by management by reviewing the elements in the calculation of the discount rate against both internal and external information.<br><br>We also compared the book value of goodwill as of 31 December 2021 to the purchase price from Inflexion's acquisition of the Infront Group which took place 15 June 2021.<br><br>We noted no material deviations as a result of our audit procedures and found management's assumptions to be reasonable.<br><br>Finally, we considered the adequacy of the financial statements disclosures in note 12 and 13 and found them appropriate. |

## *Other Information*

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises 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 information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

## *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements 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 Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 27 April 2022
**PricewaterhouseCoopers AS**

Jone Bauge
State Authorised Public Accountant

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