



INFRONT ASA

Q4 2020 Results

Kristian Nesbak, CEO & Co-founder
Max Hofer, CFO

12 February 2021



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BUSINESS UPDATE & OPERATIONAL REVIEW

Kristian Nesbak, CEO & Co-founder





This is Infront

We help you

gain unique market insight

& make the right decisions



Wing-to-wing Fintech service provider for professionals



Research



Asset
mgmt



Advisory



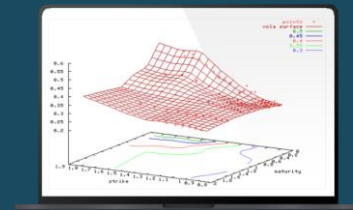
Treasury



Trading

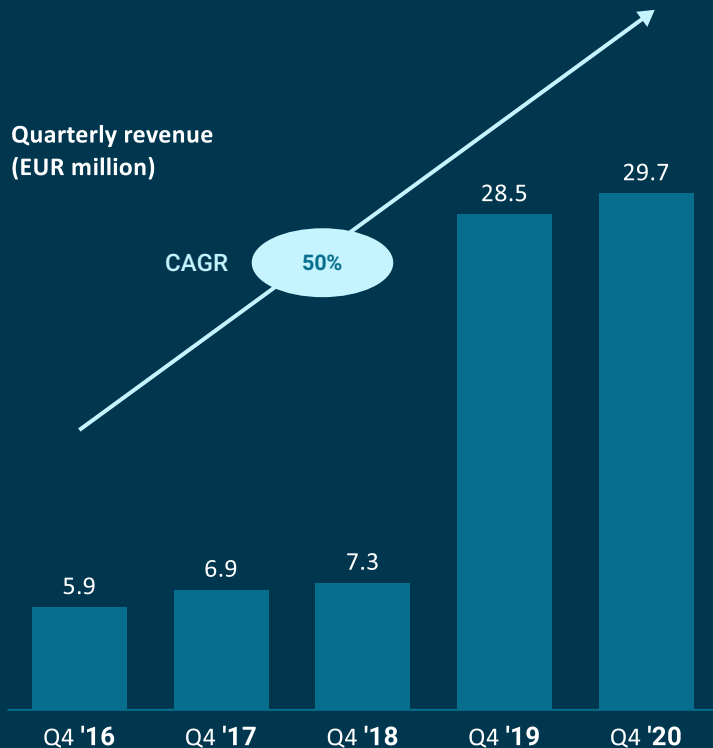


Valuation &
compliance





This is Infront



We are **a leading European**
financial SaaS* provider

Access to
120+
exchanges

8bn+
daily
data points

Offices in
10+
countries

~3500
customers



Q4 2020: Highlights

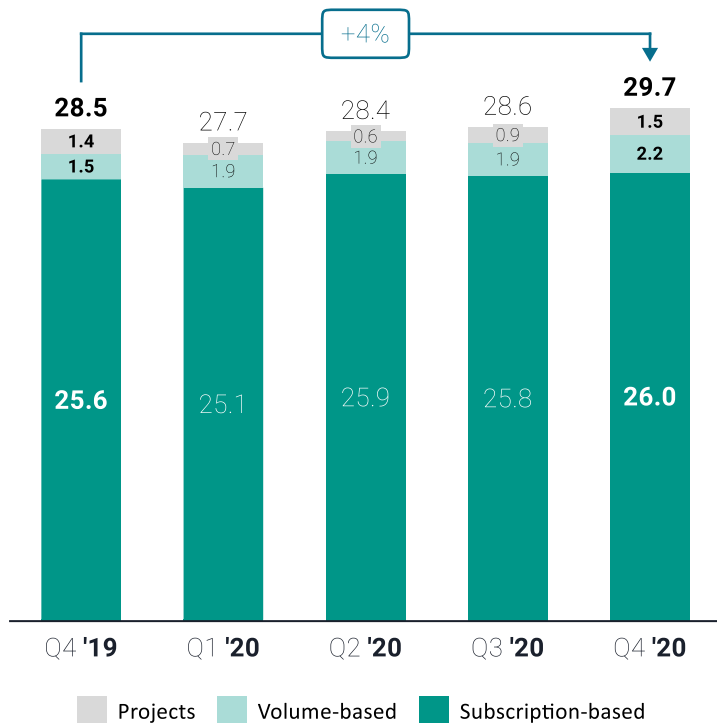
- **Stable underlying performance**
- **Increase in project-related and volume-based revenues**
- **Adjusted EBITDA of EUR 6.2m**
- **Continued cost-synergy capture**
- **Acquisition of NB Trader completed and included from mid-quarter**
- **Received voluntary offer to acquire all outstanding shares in Infront ASA**



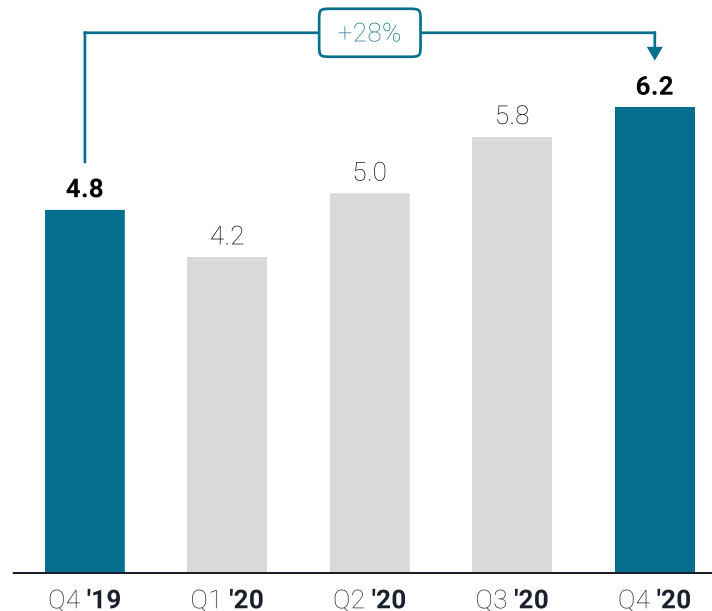


Q4 2020: QoQ growth driven by customer projects, trading volume-based revenues and M&A

Revenue (EUR million)



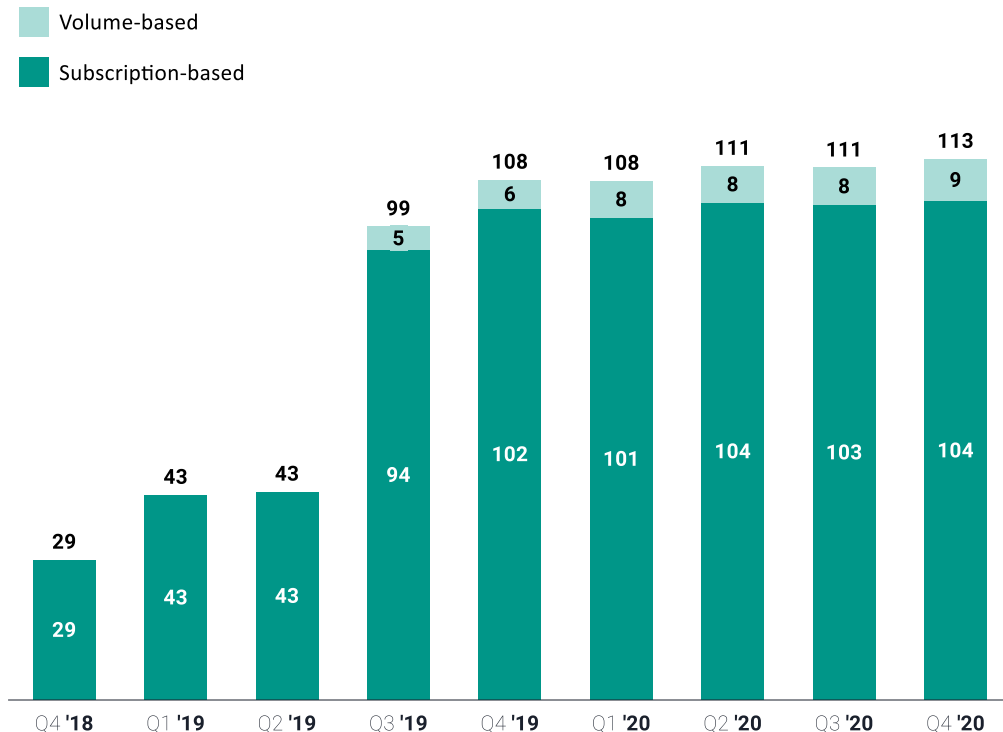
Adjusted EBITDA (EUR million)





Higher share of volume-based revenues

Annualized Recurring Revenue (EUR million)



Annualized Recurring Revenue breakdown:

- Annualized subscription-based revenues in Q4 '20 of **EUR 104 million vs. EUR 102 million** in Q4 '19
- Annualized volume-based revenues* in Q4 '20 of **EUR 9 million vs. EUR 6 million** in Q4 '19

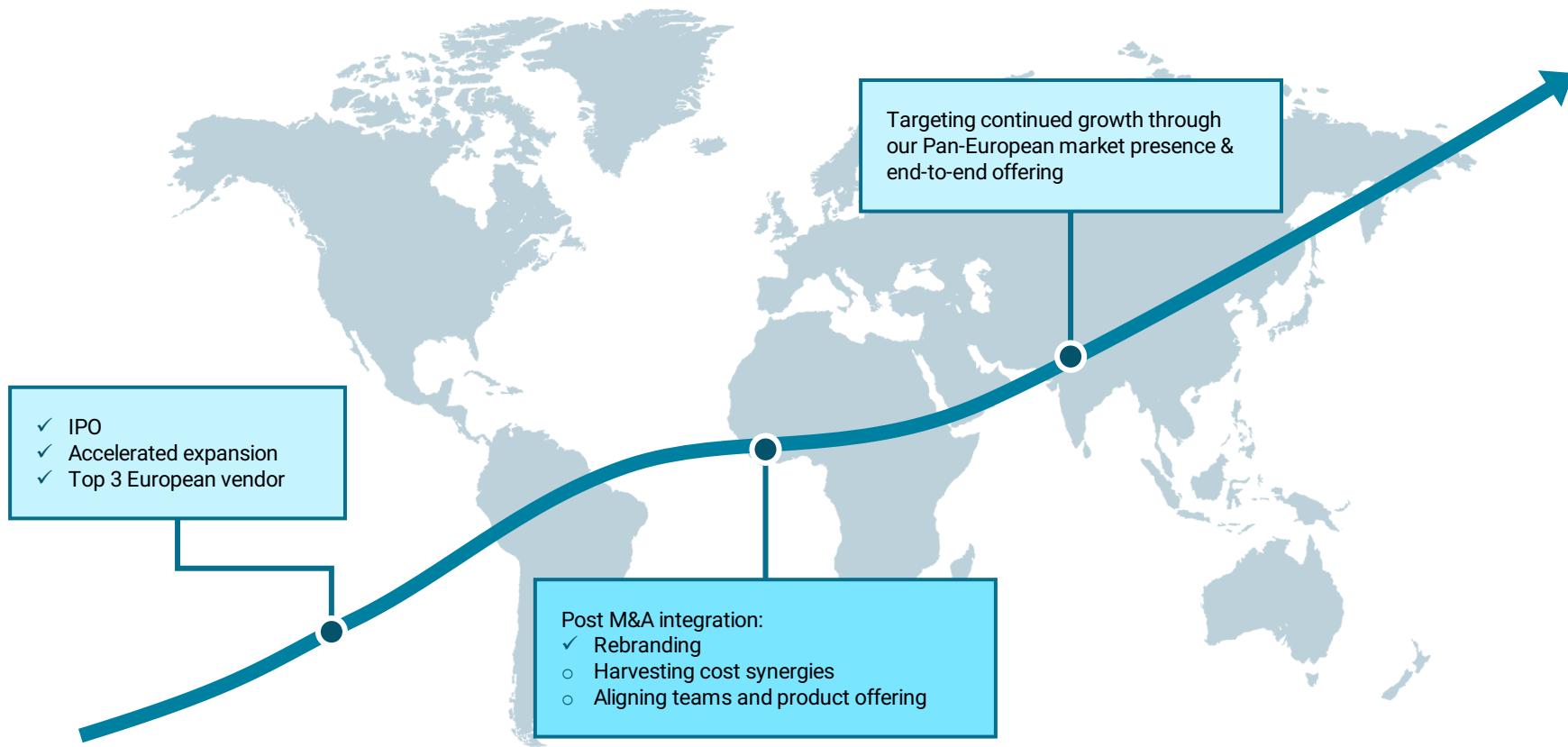
TransactionSolutions is the main contributor behind the recent growth in volume-based revenues, due to significant increases in market volatility

TransactionSolutions is **60% owned by Infront**

* Volume-based revenues include subscription revenues that are also consumption based and thereby also variable (e.g., depends on trading activity)



Positioning Infront for accelerated growth





Sales update

Terminal and Feed Solutions



LLOYDS BANK

- New win in the UK



- Implementing Infront's solutions towards its buy-side customers in Italy

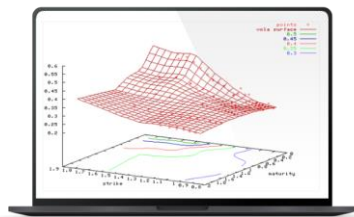


- Strong growth in user base for the Private Investor Trading Solutions in the Nordics

Regulatory and Calculation Solutions

LB≡BW Asset Management

- Positive traction for Infront Quant's valuation and calculation services
- Infront Quant with sophisticated solutions for both liquid and illiquid asset valuation, market conformity and quote control



Portfolio and Advisory Solutions



DONNER & REUSCHEL
PRIVATBANK SEIT 1798

- Successful launch of PMSaaS (Portfolio Management Solution hosted externally) offering in the DACHL region
- Focus on future product development and move towards cloud-based solutions
- One key account termination, with annual impact of ~EUR 2m from end of 2021



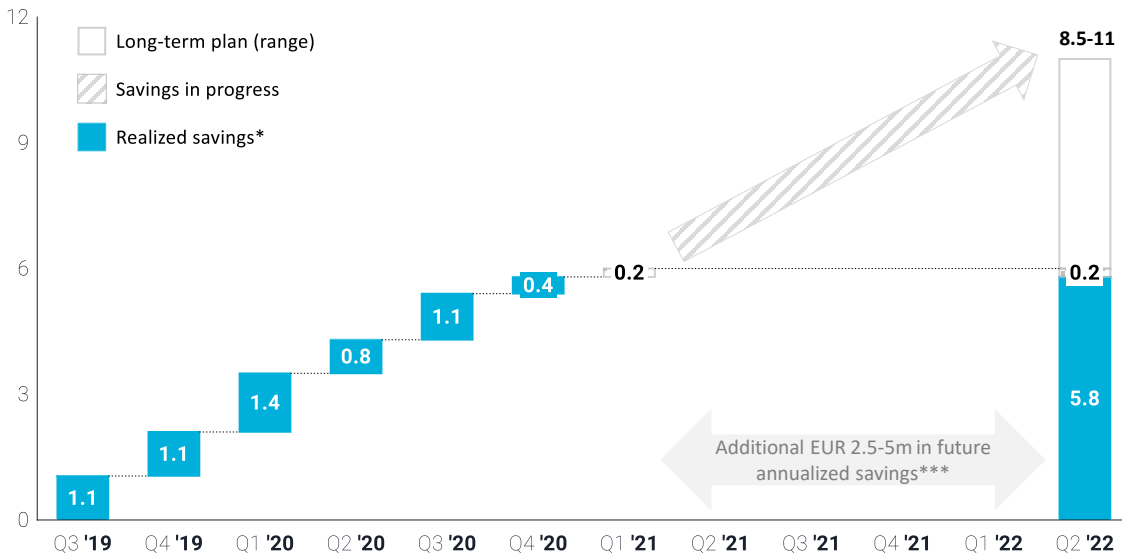


Initial cost-synergy target achieved – entering next phase

One technology platform, organization, portfolio of products and services

Cost savings

EUR million



EUR 5.8 million in realized savings as of Q4 2020

P&L effect of realized synergies is usually fully captured over the next twelve following months

- Mainly due to cancellation notices (data, operational efficiencies, etc.)

Quarterly P&L impact of our cost savings efforts is currently EUR ~1.2 million

Long-term cost-synergy target confirmed, albeit more challenging to extract

* Annualized savings secured in previous quarters (including Q4 2020)

** Annualized value of total realized savings as per Q4 2020

*** Estimated future savings from additional operational efficiencies



FINANCIAL REVIEW

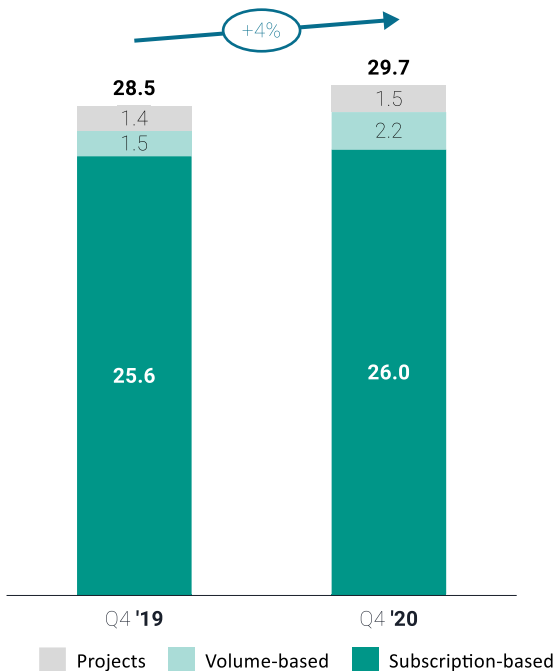
Max Hofer, CFO



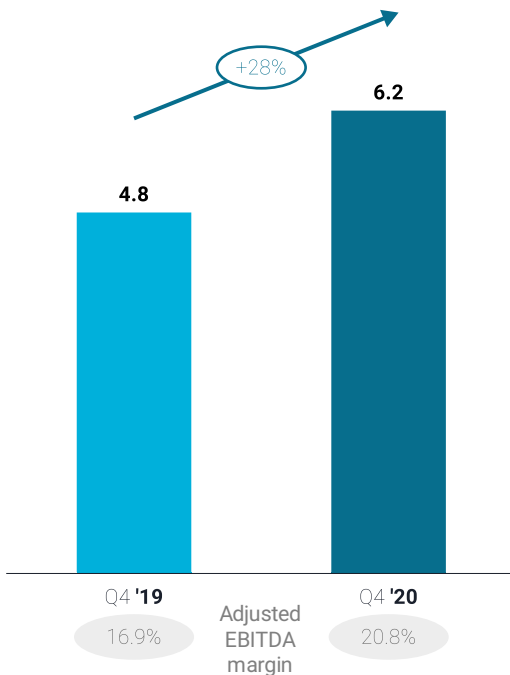


Q4 2020 Financial highlights

Quarterly revenue (EUR million)



Quarterly adjusted EBITDA (EUR million)



Revenue of EUR 29.7 million, up 4% from EUR 28.5 million in Q4 2019

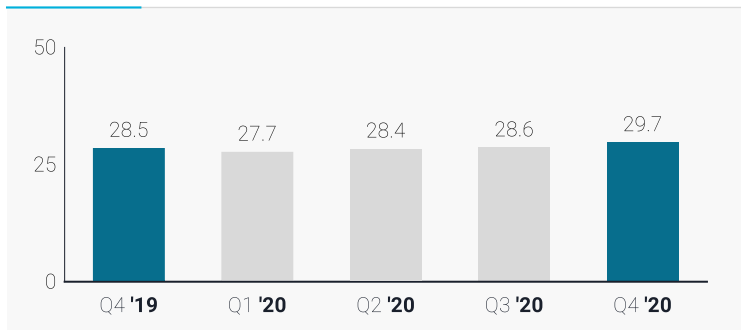
- EUR 1.1 million increase from Q3 2020 driven by customer projects and volume-based revenues
- Reported EBITDA of EUR 5.7 million
- **Adjusted EBITDA*** of EUR 6.2 million, compared to EUR 4.8 million in Q4 2019
- **Adjusted EBITDA** of EUR 5.7 million after carving out 40% of TransactionSolutions, compared to EUR 4.8 million in Q4 2019

* EBITDA Q4 2020 adjusted for transaction and integration-related costs of EUR 0.4 million

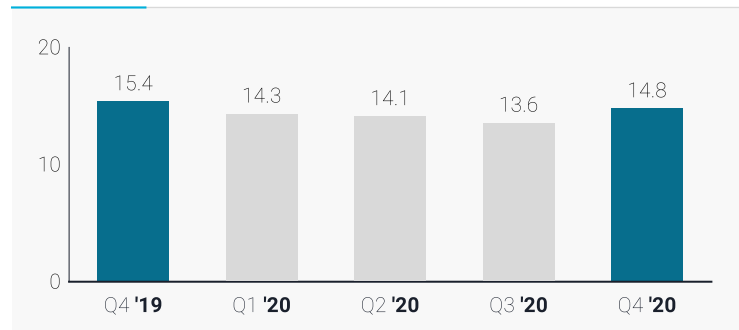


Key financials

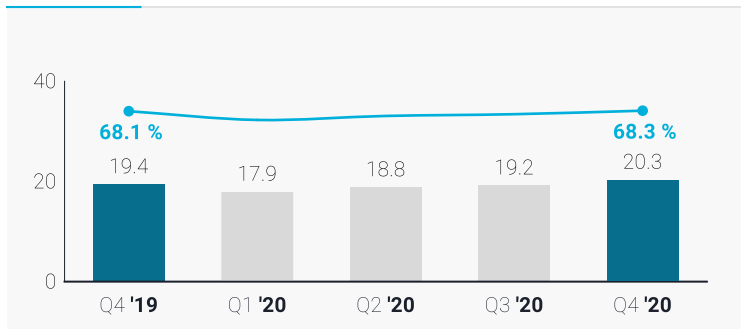
Revenue (EUR million)



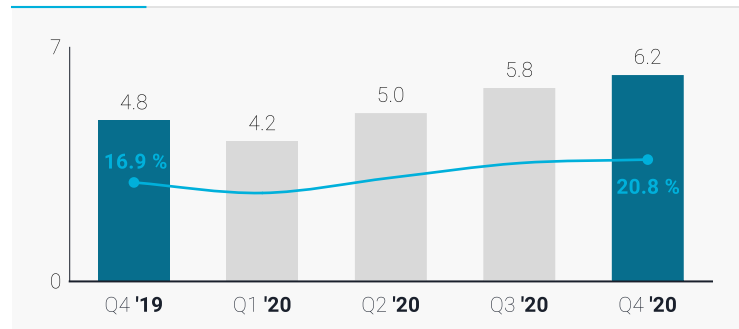
Adj. Salary & Other Opex* (EUR million)



Gross profit and margin (EUR million)



Adj. EBITDA* and margin (EUR million)



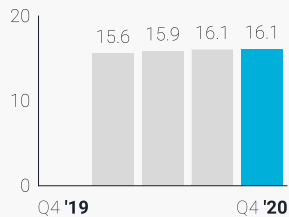
* Adjusted for one-off items



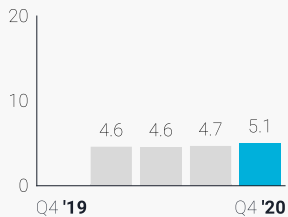
Infront's operating segments

Revenue, across new segments (EUR million)

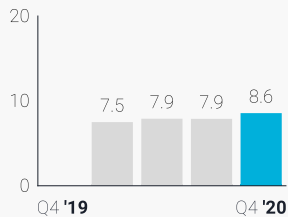
Terminal and Feed Solutions



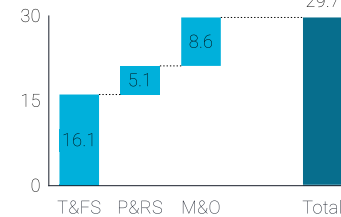
Portfolio and Regulatory Solutions



Media and Other

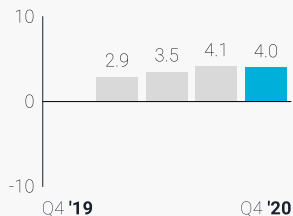


Infront ASA

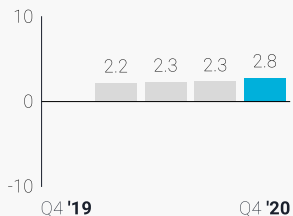


EBITDA, per segment (EUR million)

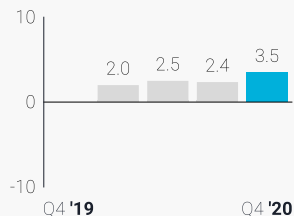
Terminal and Feed Solutions



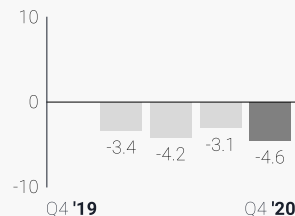
Portfolio and Regulatory Solutions



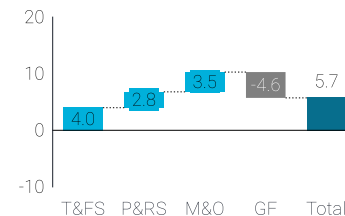
Media and Other



Group Functions / Eliminations



Infront ASA



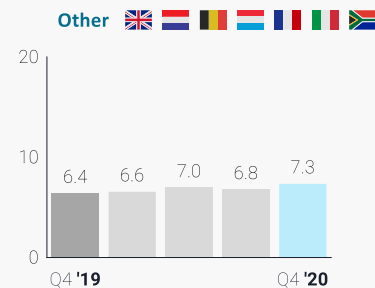
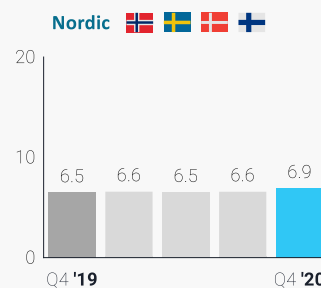
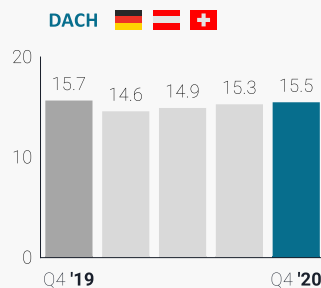
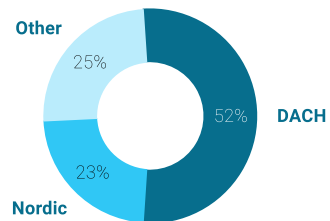


Revenue development across regions

Positive development across regions driven by:

- Customer project revenues
- Higher trading activity (DACH)
- NB Trader included from mid-November (UK)

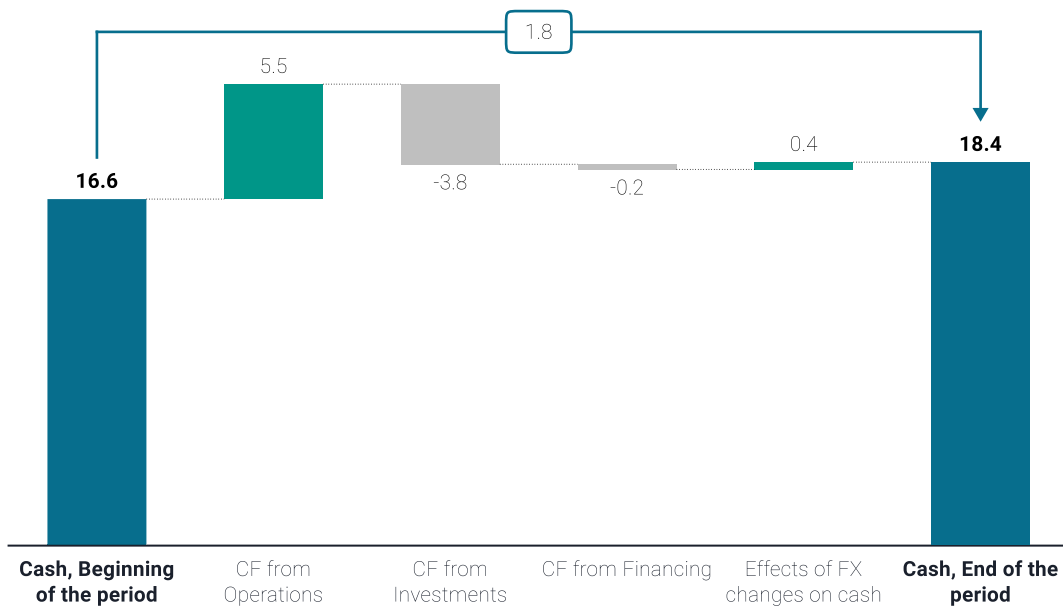
Revenue, across regions (EUR million)





Cash Flow in Q4 2020

Q4 2020 Cash Flow (EUR million)



Operating CF: EUR 5.5 million

- Non-cash charges of EUR 2.9 million
- Positive net working capital effect of EUR 1.8 million
- Interest cash payment EUR 1.6 million

Investing CF: EUR -3.8 million

- Mainly reflecting the acquisition of NB Trader, capitalized R&D and other investments

Financing CF: EUR -0.2 million

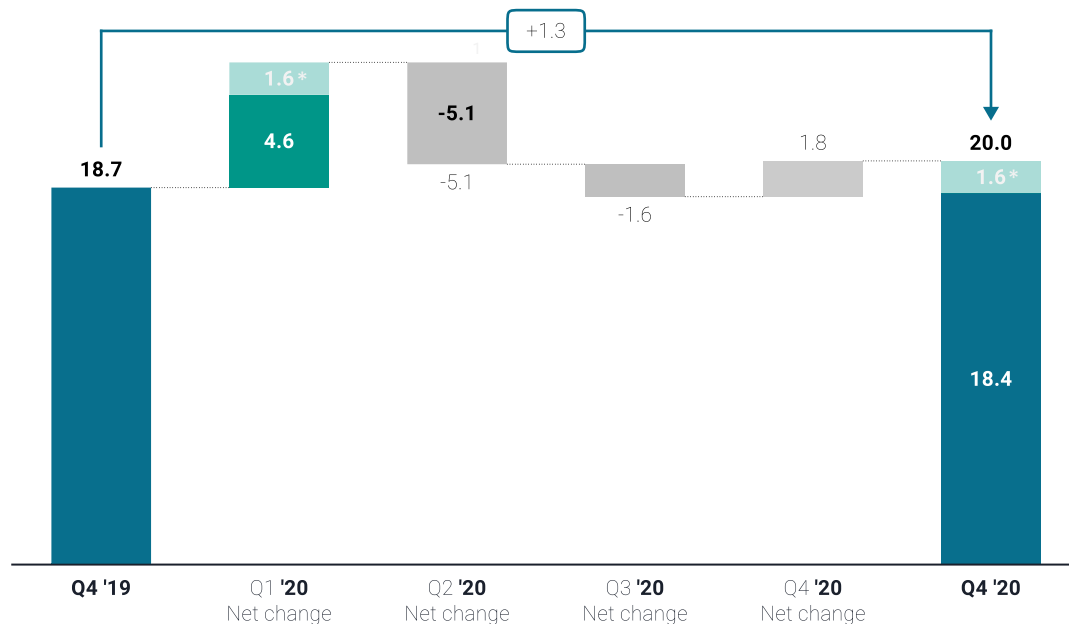
- Repayments of lease liabilities of EUR 0.2 million

End of the period cash position:
EUR 18.4 million



Cash development over the past 12 months

Cash Development adjusted for one-off transaction-related outflows (EUR million)



- Cash development in line with underlying seasonality
 - Higher cash inflows in Q1 and Q4
- Deleveraging of the company expected to accelerate as the quarterly impact of cost synergies increases
- Net change in cash position since end of Q4 2020 includes vwd Group transaction related items of approx. EUR 1.6 million*
- In addition to this, NB Trader was acquired in Q4 2020 (one-off impact not provided in chart)

* Adjustment for: M&A advisory fees, M&A legal expenses and post-M&A integration project in Q1 2020



Investment summary

- **A leading player** with a pan-European footprint
- **Strong track record** of achieving long term growth
- **Positioning for the future** by aligning product offering
- **Capturing and monetizing** significant cost-synergies
- **Attractive pipeline** of strategic growth prospects





Q&A





Next Quarterly Report:

- Q1 2021 to be published 12 May 2021
- [IR Mailing list](#)
- ir@infrontfinance.com



APPENDIX





Aspirations

We are streamlining our offering across geographies

When we have reached our initial goal, we will:

- **Be recognized as a leading European financial information & technology provider**
- **Deliver high single-digit net organic growth**
- **Achieve a long-term EBITDA-margin of +25%**



Strong customer base and attractive pipeline

Solid footprint:

Attractive growth potential:

- Diversified and high caliber customer/partner base includes a broad range of financial institutions, buy-side & sell-side clients, corporates, exchanges, etc.

DNB

ABG
SUNDAL COLLIER

LBΞBW

Pareto
Securities

EURONEXT

Börse
Stuttgart

T

DZ BANK
Bank on Germany

BASF
We create chemistry

Danske Bank

... and many more ...

Combining Infront's offering across locations

Developing products and features in close cooperation with clients

Tapping into a wider customer audience



New operating segments

Infront's operating segments reorganized by product & solution areas:

Terminal and Feed Solutions

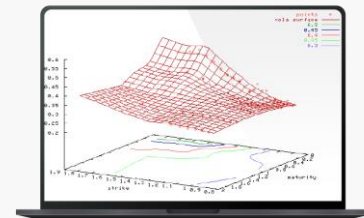
Includes terminal and feed solutions for the entire group. The main products are comprised of the Infront Professional Terminal (IPT), data and feed solutions, electronic trading solutions, the Market Manager and the Investment Manager.

Portfolio and Regulatory Solutions

Contains various products and tools for the buy-side, such as portfolio management software, advisory tools, as well as regulatory services and calculation solutions ("fair value") for a broad range of financial institutions.

Media and Other

Media publishing and listing services, news services as well as ancillary activities related to other products and solutions.





Profit and Loss

EUR 1000	Quarter		YTD	
	Q4 19	Q4 20	Q4 19	Q4 20
Revenues	28,495	29,712	75,364	114,461
Other revenues	40	17	180	0
Total operating revenues	28,534	29,729	75,544	114,461
Cost of services rendered	9,103	9,432	26,923	38,322
Salary and personnel costs	10,883	11,361	26,458	44,716
Other operating expenses	4,558	3,864	16,641	14,030
Depreciation, amortisation and net impairment losses	3,815	2,941	8,505	13,118
Other income	-2,354	-656	-2,816	-1,820
Other losses/(gains) - net	0	0	0	0
Total operating expenses	26,006	26,942	75,710	108,366
Operating profit	2,528	2,787	-166	6,095
Financial income/(expenses) - net	-2,133	-1,387	-8,959	-7,193
Profit before income tax	395	1,400	-9,126	-1,098
Income tax expense	-3,323	237	-1,605	-1,644
Profit for the period	-2,927	1,637	-10,730	-2,742

Revenue

- QoQ revenue increase mainly caused by project revenues and volume-based revenues

Gross margin

- QoQ improvement driven by data-cost synergies

Personnel

- QoQ increase reflects increased salaries and option cost (EUR 0.4 million - no cash impact)

Opex

- QoQ increase mainly reflects several one-off items during the quarter
- Adjusted EBITDA of EUR 6.2 million
- Integration initiatives on track



Cash flow statement

EUR 1000	Quarter		YTD	
	Q4 19	Q4 20	Q4 19	Q4 20
Cash flows from operating activities				
Profit (loss) before tax	395	1,400	-9,125	-1,098
Taxes paid	-74	-628	-259	-1,450
Depreciation, amortisation and net impairment losses	3,815	2,941	8,505	13,118
Pension expense without cash effect	-831	-323	-499	-516
Interest expense including non-cash items	4,664	1,863	8,145	7,450
Interest cash expense in the period	-3,119	-1,575	-4,861	-6,520
Net working capital movements	3,019	1,843	3,052	-1,521
Net cash inflow from operating activities	7,869	5,521	4,958	9,463
Cash flows from investing activities				
Payment for acquisition of subsidiary, net of cash acquired	-12	-2,835	-117,743	-2,835
Payment for intangible assets	-275	-319	-876	-1,135
Payment for property, plant and equipment	-482	-298	-1,473	-952
Payment for software development costs	-571	-397	-2,622	-2,257
Net cash (outflow) from investing activities	-1,340	-3,849	-122,714	-7,179
Cash flows from financing activities				
Net proceeds from issuance of ordinary shares	194		23,618	
Proceeds from borrowings			10,000	
Repayments of borrowings	75		-5,744	
Proceeds from bond issue			102,256	
Dividends paid				-87
Repayments of lease liabilities	-1,477	-248	-2,386	-2,754
Net cash inflow from financing activities	-1,208	-248	127,744	-2,841
Net increase/(decrease) in cash and cash equivalents	-119,021	1,424	9,988	-557
Cash and cash equivalents at the beginning of period	13,878	16,645	8,740	18,703
Effects of exchange rate changes on cash and cash equivalents	-496	350	-25	273
Cash and cash equivalents	18,703	18,419	18,703	18,419

Operating CF: EUR 5.5 million

- Non-cash charges of EUR 2.9 million
- Net working capital effect of EUR 1.8 million
- Interest cash payment EUR 1.6 million

Investing CF: EUR -3.8 million

- Mainly reflecting the acquisition of NB Trader, capitalized R&D and EUR 0.6 million in other investments

Financing CF: EUR -0.2 million

- Repayments of lease liabilities of EUR 0.2 million

End of the period cash position:
EUR 18.4 million



Statement of Financial Position

EUR 1000	31 December 2019	31 March 2020	30 June 2020	30 September 2020	31 December 2020
Equipment and fixtures (PPE)	2,947	2,903	2,828	2,696	2,707
R-o-U assets	13,671	12,945	12,346	11,543	10,700
Intangible assets	173,987	171,370	170,221	168,649	170,149
Deferred tax asset	5,790	7,259	6,729	7,071	6,108
Pension assets	646	650	652	341	650
Receivables	192	139	215	292	271
Total Non-current Assets	197,234	195,266	192,991	190,592	190,585
Trade and other receivables	12,533	21,414	22,430	19,639	11,993
Cash and cash equivalents	18,703	23,305	18,254	16,645	18,419
Total Current Assets	31,236	44,719	40,684	36,284	30,412
Total Assets	228,470	239,985	233,675	226,876	220,997
Share capital	458	459	459	459	459
Share premium	34,883	35,076	35,076	35,076	35,076
Share option program	317	398	545	685	873
Other equity	-6,985	-7,641	-11,483	-10,971	-9,405
Total equity attributable to owners of the parent	28,673	28,292	24,597	25,249	27,003
Non-controlling interests	2,686	2,891	3,134	3,207	3,501
Total Equity	31,359	31,183	27,731	28,456	30,504
Long term borrowings	101,757	102,406	102,462	102,399	102,627
Lease liabilities	11,283	10,795	10,218	9,465	9,116
Pension liabilities	8,659	8,742	8,812	8,435	7,711
Deferred tax liabilities	20,068	19,639	19,242	18,799	18,533
Other non-current financial liabilities	2,895	2,711	2,727	2,422	2,411
Total Non-current Liabilities	144,661	144,293	143,461	141,520	140,398
Short term borrowings	10,000	10,000	10,000	10,000	10,000
Current lease liabilities	2,643	2,468	2,491	2,475	2,009
Trade and other payables	29,333	40,546	37,018	33,602	28,133
Other current financial liabilities	3,316	1,437	1,243	1,182	845
Deferred revenue	4,759	6,370	6,932	5,356	4,764
Current tax liabilities	2,399	3,688	4,799	4,285	4,344
Total Current Liabilities	52,450	64,509	62,483	56,900	50,095
Total Liabilities	197,111	208,802	205,944	198,420	190,493
Total Equity and Liabilities	228,470	239,985	233,675	226,876	220,997



Continued focus on safeguarding people and operations

- **Primary focus on people and operations amid COVID-19 outbreak**
 - Focus on employee health and complying with local guidance
 - Quickly adapted to a new working environment with rapid transition to home offices during lock-down
 - Positive short-term impact on costs
 - Ensuring stable systems to handle any spike in activity
- **Short-term risks and mitigations**
 - Project revenue could face a reduction
 - Potentially reduced organic growth
 - Capacity to adjust operations accordingly
- **Resilient business model**
 - Recurring revenue base provides good visibility for the next 12 months and beyond
 - We empower working remotely:
 - Infront's IPT Terminal can be installed on any modern computer
 - Our web-solutions are compatible with most browsers
 - Our products and solutions are needed by our clients