Infront

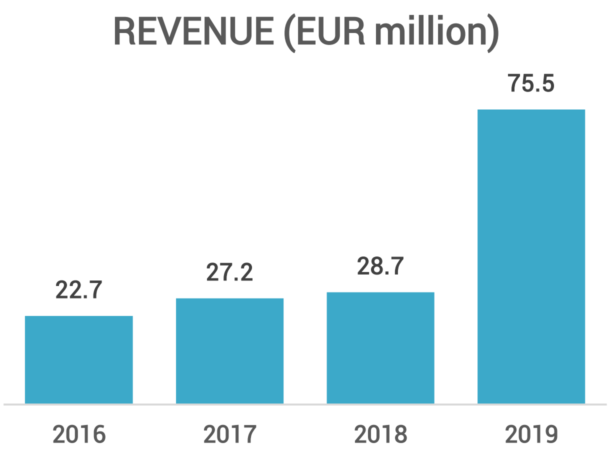
Discover. Analyze. Trade.

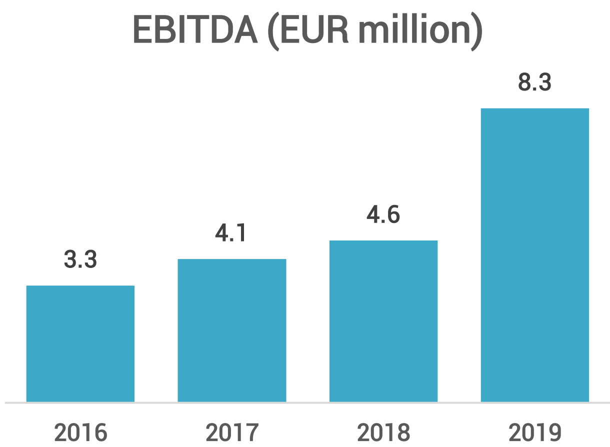
ANNUAL REPORT 2019

TABLE OF CONTENTS

OUR MISSION

We pioneer smart solutions by challenging conventional thinking





INFRONT AT A GLANCE

Infront was founded in 1998 as a market data and trading solutions provider for financial professionals. Since then, the Company has grown exponentially through organic growth as well as through acquisitions. Today we offer a powerful combination of global market data, electronic trading, news, and analytics along with data and feed solutions, solutions for portfolio management and advisory, regulatory compliance as well as publication and distribution solutions.

Our solutions serve 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 – quickly, easily and flexibly.

More than 500 employees in 13 countries across Europe and South Africa apply their expertise to meet the challenges of our clients, ensuring they continuously receive the best solutions and services.

1998 Infront founded

1999 Public launch of first version

2001 Electronic trading features enabled

2003 Exceeded 1,000 paying users

2004 Nordic expansion by opening Danish office, the first outside of Norway

2005 Office in Stockholm opened

2008 Acquired Nyhetsbyrån Direkt, the Swedish newswire from Bisnode

2012 Acquired Infinancials, strengthening data and content, and expanded to France

2014 Exceeded 10,000 paying users

2015 London office opened

2016 Acquired TDN Finans from NHST Media Group

2016 First offices outside Europe established in Johannesburg and Cape Town

2017 Acquired majority stake in Inquiry Financial, enhancing data and analytics

2017 Office in Helsinki opened

2017 Successful IPO on Oslo Stock Exchange

2018 Acquired Market Connect to add clients, data and content, expanding to Italy

2019 Announced the acquisition of vwd Group

Letter from the CEO

Infront provides finance professionals across Europe with access to high quality real-time market data, analytical- and advisory tools, news and other solutions to help them manage their workflows and gain an edge in the market. Our company now benefits from having a strong pan-European presence, which also provides us with the opportunity to cross-sell many of our products within existing markets.

2019 was an eventful year to say the least. Group revenue increase by 163% to EUR 75.4 million, while adjusted EBITDA increased by 128% to EUR 11.7 million. The highly positive development is mainly attributable to the acquisitions of Market Connect (Italy) in December 2018 and vwd Group in July 2019. Since closing of the two transactions, many of our internal resources have worked determinedly on various post-merger projects and with coordinating our joint efforts, thereby positioning the company for a bright future. We now look forward to continuing our growth-story, while continuously developing and improving our product-offering, in close dialogue with our clients.

Highlights from 2019

In April, we announced an agreement to acquire vwd Group (vwd), thereby creating a leading financial markets solutions provider in Europe. The transaction was closed in July and financed with an equity issue of NOK 242.6 million and a bond issue of EUR 105 million. Vwd and Infront have a highly complementary product offering and geographical footprint, notably providing Infront with a strong local presence in the DACH and Benelux regions. Roughly nine months have passed since closing and the Infront group now has total annual recurring revenues of approximately EUR 108 million. We are also satisfied with the results of our post-merger efforts so far. We have identified and captured a significant amount of cost synergies, notably on the data side. From an organizational standpoint, the cultural fit has also been positive. Both companies’ product teams have now joined their efforts and we are starting to see the full potential for a variety of cross-selling opportunities. In addition to our core information and trading solutions business, Infront has further improved our offering towards the buy-side with its portfolio & advisory solutions. New financial markets regulations led by MiFID II, require banks, asset managers, insurance companies and other financial institutions to satisfy a longer list of demands by the authorities. We are therefore also very excited and eager to roll out our regulatory solutions and evaluation services (Infront Quant) across all regions over the coming months.

An adaptable platform

Going into the second quarter of 2020, we are closely monitoring our global environment. Like all other businesses, Infront has taken a series of measures due to the recent COVID-19 outbreak. Our management team has established a crisis task force which frequently monitors the development within our company and decides on measures as deemed necessary. We adhere to and follow the recommendations of the WHO and local public authorities, with the aim to protect the health of all our employees, but also to ensure business continuity.

One of the key characteristics of our products has always been outstanding user-experience. As mentioned before, we help our customers to work more efficiently and profitably with increasing amounts of data, which is the driving force behind our everything we do for all our stakeholders. In these volatile times, it is more important than ever that we stick to this simple principle.

We know how important it is to provide our clients with easy access to our information- and trading solutions. Many of our users have recently installed our software at their home offices without any difficulties. As of this moment, the volume on our systems has increased multiple times illustrating the inherent robustness of our architecture. We will continue to keep a close dialogue with all our clients, despite the physical distance throughout this challenging period. Our various support-teams remain at their disposal.

The future needs Infront

I am proud of what we have accomplished since our IPO in September 2017 and of all the new colleagues that are now part of the Infront family. Our pan-European organization which includes more than 500 employees in 13 countries (Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, South Africa and United Kingdom) is also better positioned than ever to capitalize on new trends, and further develop our group-wide offering.

Whether we are in bull- or bear-markets, clients need our products and solutions to obtain, process and analyse information and turn it into action. Moreover, our products and services are attractively priced compared to alternatives in the market. Our growth path going forward will require a continued close interaction between sales, product development, maintenance, support and many other teams within our organization. We look forward to several new and interesting product releases in 2020, as Infront aims to further strengthen its position among the leading financial information and service providers in Europe.

Kristian Nesbak

CEO

Management Team

Chief Executive Officer, Kristian Nesbak

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

Chief Information Officer, Morten Lindeman

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

Chief Financial Officer, Max Hofer

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

Chief Technology Officer, Fredrik Koch

Fredrik Koch recently joined Infront in the role of CTO, taking on the responsibility for the IT Development organization as well as an advisory role in the Product organization. With his extensive experience in fintech, Fredrik works to ensure that Infront's comprehensive customer offering is supported by resilient, scalable and efficient technology. Before joining Infront, Fredrik spent close to 25 years at SIX Financial Information in Stockholm, working with product management, business development and business transformation.

Note that Fredrik Koch joined Infront 17 February 2020.

Chief Sales Officer, Udo Kersting

Udo Kersting joined Infront from vwd. In his role as CSO, Udo is responsible for the activities of Sales, Marketing, Consulting Services, Customer Success Management and Customer Support. Previously, as CPO at vwd, Udo was responsible for the development of vwd'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.

Board of Directors

Chairman of the Board, Gunnar Jacobsen

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

Board member, Mark Ivin

Mark Ivin (1965) 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

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

Board member, Torun Reinhammar

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

Board of Directors' Report

In 2019, Infront further expanded its footprint and broadened its product-offering by acquiring vwd Group GmbH (vwd). Following this transaction, the Infront Group can now be regarded as a top three provider of financial information terminals, trading solutions and financial advisory tools in the European market. The final purchase price for vwd was approximately EUR 130 million on an enterprise value basis and it was financed through the issue of a four-year EUR 105 million bond in April and a NOK 242.6 million rights issue that was completed in June. Both the bond and the equity issue were oversubscribed, which we see as a strong vote of confidence from our investors. Together with the acquisition of Infront Italia (previously Market Connect) in December 2018, Infront has now already reached its original long-term goal, which was communicated to investors when the company went public in September 2017.

Despite this development being an impressive growth story over the last two or three years, we have ambitions that go well beyond our current market position. The integration of our previous acquisitions gives us the opportunity to streamline efforts across the Group and improve our profitability, which will be an important priority going forward. A broader product portfolio (now also with portfolio & advisory solutions and regulatory solutions) gives us interesting cross-selling opportunities in existing markets, while a larger and stronger development team gives us the chance to innovate even further.

The beginning of 2020 has been characterised by turbulence and uncertainty and we expect the current environment to continue for some time, at least into the second quarter of the year. But despite the choppy market conditions, we also witness how finance professionals make daily use of Infront's products and solutions in order to make the right decisions. We are satisfied with our current value proposition. Combined with our subscription-based revenue model, we therefore believe that we also have good visibility for the short- to medium-term.

Corporate overview

1.1 Organization

Financial professionals across Europe and South Africa rely on Infront for global real-time market data, trading, news, and analytics. With the acquisition of vwd Group, Infront's product coverage now also includes data and feed solutions, portfolio management and advisory solutions, regulatory compliance solutions as well as publication and distribution solutions. Our solutions serve 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 – quickly, easily and flexibly.

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

Operational review

On 17 July 2019, Infront completed the acquisition of vwd Group from a fund managed by The Carlyle Group to create the leading European financial market solutions provider. The final purchase price was EUR 130.6 million on an enterprise value basis and was financed through the issue of a four-year EUR 105 million bond in May and an over-subscribed NOK 242.6 million rights issue that was completed in June.

Following the acquisition, the Board of Directors approved to change Infront's presentation currency to Euro (EUR) from Norwegian krone (NOK) from Q3 2019. Moreover, segment reporting has been adjusted to reflect the new Group structure:

Infront Solutions and Terminal: Includes Infront ASA (the parent company), all regional sales offices for terminal products and solutions, as well as Infront Data and Infront Analytics.

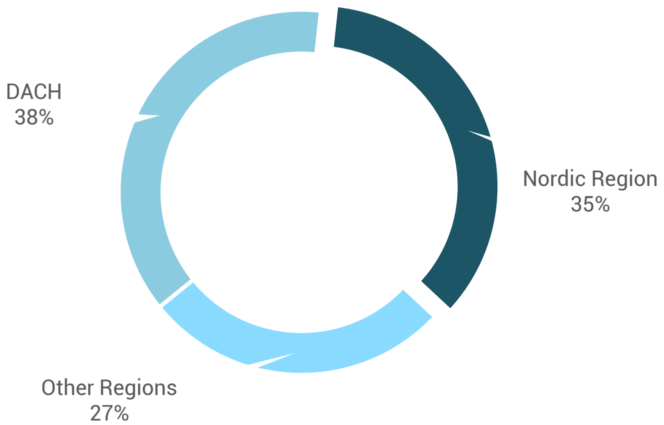
vwd Group: Representing the acquired activities.

News and Other: Includes the news-services in AB Nyhetsbyrån Direkt (Sweden) and TDN Direkt AS (Norway), as well as the software business Catalystone AS which is 100% owned by Infront.

Revenue in the Infront Solutions and Terminal segment rose by 61% to EUR 36 million (2018: EUR 22.4 million); vwd Group segment revenue amounted to EUR 33.5 million reflected the acquired activities in 2019; News and Other segment amounted to EUR 6.1 million (2018: EUR 6.3 million).

2.1 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).

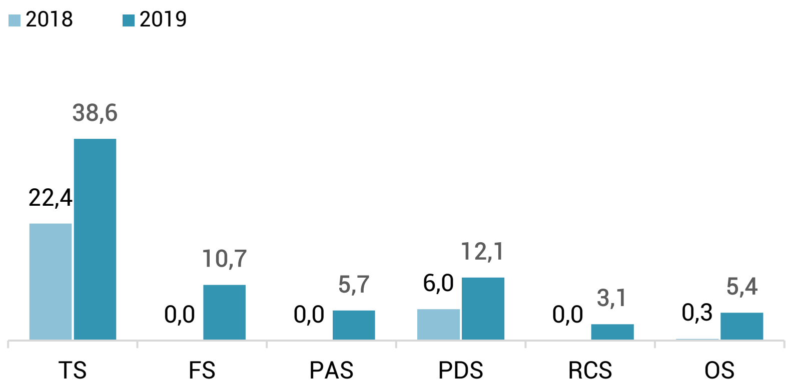
Nordic Region – includes markets and subsidiaries in Norway, Sweden, Finland and Denmark.

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

2.2 Revenue per product group

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

(EUR million)



2.3 Product development

The addition of high-quality Italian market data to the Infront Professional Terminal in 2019 has strengthened the value proposition to finance professionals in Europe and worldwide. The Infront Professional Terminal started supporting Retail Service Provider (RSP) trading via its integrated EMS solution tailored for the UK market. The introduction of RSP trading has triggered significant interest from clients in the UK. In South Africa, Infront started covering A2X market data, providing professional users with easy access to best prices and execution across both A2X and the Johannesburg Stock Exchange in a consolidated order book.

The migration of customers to Web Trader version 4 continued throughout 2019. The latest generation of the Infront web platform strengthens the value-proposition to financial institutions providing retail trading services to private investors and small and mid-sized corporate customers.

Infront Web Toolkit is currently being used to create and replace solutions for both internal and external projects and offers a fast and cost-effective way to develop quality modern web- and mobile solutions for the financial markets. Infront Web Toolkit powers Infront's Mobile Apps, Infront Web Trader and customer's web sites.

Key development projects for analytics and data have mainly focused on product integration. The Infront Analytics web components have been integrated into group products, while some improvements on data architecture and the Excel add-in functions have been made.

The studio and video production activities continued to perform well during 2019. A new studio was established in Oslo, opening new business and growth opportunities for current year and beyond. Infront also signed a strategic contract with Dagens Næringsliv AS in Norway for news feed delivery and collaboration on video-based IR-services.

vwd Group, acquired by Infront in July 2019, provides financial data terminals and complementary service solutions through an integrated, modular technology platform and a software-as-a-service ("SaaS") model with recurring subscription revenue. Target customers are within the wealth management industry in the German-speaking DACH region, which includes Germany, Austria and Switzerland. vwd Group is also present in Belgium, the Netherlands, Luxembourg and Italy. It has its headquarters in Frankfurt and operates through additional regional offices.

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

After the launch of the new "Investment Manager" in Q3 2019, the development of the new product continued in Q4 to add more features and increase the customer benefit to future customer acquisitions. The Investment Manager is a state-of-the-art responsive web-based application which provides extensive market data from vwd's own cloud-based platform. It enables clients to benefit from new features and enhancements as they are launched, avoiding cumbersome IT installations and reducing the total cost of ownership. The software is also modular to all other vwd cloud-based products and allows the clients to choose from a wide range of solutions and implement these seamlessly in our own IT-architecture. In this perspective, vwd continued the development to provide its customers further solutions from vwd's own cloud-based platform.

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

Infront is committed to delivering outstanding value to its customers through innovative and user-friendly solutions. Continued product development is a key component of the business strategy. Developing integrated products and solutions that leverage the expanded range of available data sources and services will allow Infront to provide terminal solutions across all markets and asset classes to fully realize the potential from its strengthened market position in Europe and beyond.

Financial summary

3.1 Group profit and loss

Infront's operating revenue increased by 163% to EUR 75.5 million in 2019 (2018: EUR 28.7 million). Total Operating expenses rose by 189% to EUR 75.7 million (2018: EUR 26.2 million). Operating expenses, adjusted for transaction related costs of EUR 5.0 million (2018: EUR 0.5 million, adjustment for transaction related costs), increased by 176% to EUR 70.7 million (2018: EUR 25.7 million). Infront reported an EBITDA of EUR 8.3 million (2018: EUR 4.6 million), an increase of 82% for the year. EBITDA adjusted for other income (of EUR 1.6 million) and transaction-related costs (of EUR 5.0 million) amounted to EUR 11.7 million, up from adjusted EBITDA of EUR 5.1 million in 2018, before transaction related costs (of EUR 0.5 million).

Loss before income taxes was EUR 9.1 million (2018: profit before income taxes EUR 2.3 million). Tax expense was EUR 1.6 million (2018: tax expense of EUR 0.6 million). Net Loss for the period was EUR 10.7 million (2018: net profit EUR 1.8 million). Earnings per share were EUR -0.40 (2018: EUR 0.06).

3.2 Group financial position

Total assets as of 31 December 2019 were EUR 228.5 million, compared to EUR 39.6 million at the end of December 2018. The increase is mainly due to the acquisition of vwd Group.

The combined book value of Intangible assets and equipment and fixtures amounted to EUR 176.9 million compared to EUR 18.9 million at the end of December 2018. Right-of-use assets at the end of 2019 amounted to EUR 13.7 million. For detailed implementation of IFRS 16 refer to Note 23 Leasing in this report.

Trade and other receivables were EUR 12.5 million at the end of 2019, compared to EUR 10.0 million at the end of December 2018.

At the end of 2019 the cash position was EUR 18.7 million, compared to EUR 8.7 million at the end of 2018.

Total non-current liabilities at the end of 2019 were EUR 144.7 million, compared to EUR 8.3 million at the end of 2018. The increase was primarily due to the bond issue and non-current lease liabilities of EUR 11.3 million due to the implementation of IFRS 16.

Current liabilities at the end of 2019 were EUR 52.5 million, compared to EUR 16.5 million at the end of 2018. The increase reflected the full impact from inclusion of vwd Group and the current lease liabilities from IFRS 16.

3.3 Group cash flow

Net cash flow from operating activities was EUR 9.8 million at the end of 2019 (EUR 3.9 million). Cash flow was negatively impacted by acquisition-related payments of EUR 3.3 million and positively impacted by net working capital movements of EUR 3.1 million in 2019.

Net cash flow from investing activities was negative at EUR 122.7 million (negative EUR 12.4 million). Investments per year-end 2019 were related to vwd Group acquisition at EUR 130.7 million, SIX transaction-related payments of EUR 0.9 million, investments in IT equipment of EUR 1.5 million and investments in software developments of EUR 2.6 million. This was partly offset by the cash balance acquired in vwd Group of EUR 12.9 million.

Net cash flow from financing activities was at EUR 122.9 million (EUR 5.0 million). The financing cash flow mainly reflects proceeds from the bond and equity issues net of transaction costs, EUR 102.3 million and EUR 23.6 million respectively as well as repayment of other debt of EUR 5.7 million.

Please note that the cash flow from vwd Group has been included from 17 July 2019 and onwards.

3.4 Infront ASA

Infront ont ASA (the parent company) is the operational entity responsible for the development, sales and maintenance of the Infront terminal and retail trading solutions products. Infront ASA's operating revenue decreased by 1.3% to EUR 19.8 million in 2019 (2018: EUR 19.7 million).

Total Operating expenses rose by 26% to EUR 24.4 million (2018: EUR 19.3 million) reflected high M&A costs in connection with the vwd acquisition. M&A-related costs amounted to EUR 4.9 milion (2018: EUR 0.07 million).

Infront ASA reported a profit before tax of EUR -8.2 million (2018: EUR 1.7 million), a decrease of EUR 9.9 million for the year. Profit before tax adjusted for M&A transaction related costs of EUR 4.9 million was -3.3 million (2018: 1.8 million).

Net cash flow from operating activities in 2019 was EUR -2.2 million (2018: EUR 0.1 million). Net cash flow from investing activities was at EUR -132.8 million in 2019 (2018: EUR 0.04 million). This reflected mainly investment related to the acquisition vwd Group. Net cash flow from financing activities was negative at EUR 135.3 million (2018: EUR 4.8 million). The outflow mainly reflected dividend paid of EUR 135.3 million, where the main effects are the equity issue (net EUR 23.4 million) and bond issue (net EUR 102.3 million) to finance the vwd Group acquisition. Infront ASA's cash position at the end of 2018 was EUR 4.6 million (2018: EUR 4.1 million). The equity ratio of Infront ASA was at 22.2% at the end of 2018 (2018: 47%).

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2020 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Corporate social responsibility

Creating a responsible and sustainable business is of high importance to Infront. The Company puts great emphasis on its employees and the creation of a good working environment. Infront has an informal and relaxed work culture based on mutual trust, respect and cooperation, where contributions are recognized, and achievements are celebrated.

5.1 Equal rights

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

Infront continuously works to improve the gender balance in the company. At the end of 2019, Infront had employees from over 36 countries (2018: 16), and 26% (2018: 19%) of the staff were women. For the Board of Directors, the distribution in 2019 were two women and two men.

5.2 Health and safety

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

Infront has a low absence due to sick leave, with an average of 2.2% short-term leave and 0.2% long-term in 2019 (2018: 0.8% and 0.1% respectively). In 2019, Infront had a global turnover of 7% (2018: 5%). There were no reports of work-related accidents or injuries in 2019.

5.3 Environment

The nature of Infront's operations suggests a rather limited environmental impact. Nevertheless, the Group wants to maintain its carbon footprint at a minimum:

- Infront has offices in 13 different countries. Although travel between local offices takes place, the Group targets to keep this at a minimum through the active use of videoconferences and other tools that facilitate cooperation between the different geographical entities.

- Infront also seeks to minimize its environmental impact through optimal energy consumption on servers and other hardware that the Group utilises.

Risk Factors

Infront is exposed to currency risk. Both revenue and operating expenses are subject to foreign exchange rate fluctuations, with SEK and NOK representing a significant part of revenues. However, the Group has a built-in 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 2019. For foreign currency sensitivity test and more details refer to Note 18 Financial risk management.

Credit risk

The risk of losses on receivables is considered low. Refer to Note 18 Financial risk management for more details.

Liquidity risk

The Board of Directors considers Infront's liquidity to be solid. Refer to Note 18 Financial risk management for more details.

Competition

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

Data center risk

Infront's services are dependent on the continuous operation of computers and telecommunication equipment, hosted in data centers in Oslo, Stockholm, Milan and London. To mitigate the risk of Infront's services being unavailable, business critical services are live with automatic switchover. Databases and backups are replicated between the different locations, and the system has no single component that can take the service down for all customers. Infront 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.

Dividend payment

Infront expects to create value for its shareholders by increasing group revenues and improving long term profitability. Infront aims to give its shareholders a competitive return on invested capital relative to the underlying risks. 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 2019 due to an increased leverage ratio following acquisitions made in 2018 and 2019.

Future outlook

The Board of Directors is positive with regard to 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 2020 and beyond.

With regards to short-term objectives, Infront's primary focus will be on the continued integration and various efficiency projects throughout the Group. Several cost synergies have already been captured after the closing of the vwd transaction, while others will be realized during the remainder of 2020 and thereafter. 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.

Allocations of net income

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

(EUR 1000)

Retained earnings	-6 402
Net income allocated	-6 402

Oslo, 15 April 2020

G. Jacobsen
Gunnar Jacobsen
Chairman of the Board

Kristian Nesbak
CEO

Mark Ivin
Member of the Board

Beate Skjerven Nygårdshaug
Beate Skjerven Nygårdshaug
Member of the Board

Torun Reinhammar
Member of the Board

Statement by the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer have reviewed and approved the Board of Director's report and the financial statement for Infront as of 31 December 2019.

The consolidated financial statements and the financial statements for the parent company have been prepared in accordance with applicable reporting standards. To the best of our knowledge, we confirm that the information in the following financial statements provides a true and fair view of the Group and the parent company's assets, liabilities, financial position and profits as a whole as of 31 December 2019. 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, 15 April 2020

Gunnar Jacobsen
Chairman of the Board

Kristian Nesbak
CEO

Mark Ivin
Member of the Board

Beate Skjerven Nygårdshaug
Member of the Board

Torun Reinhammar
Member of the Board

Corporate governance

1. Implementation and reporting on corporate governance

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

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

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

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

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

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

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

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

2. Business

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

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

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

Infront's key values are: "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 behavior 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.

3. Equity and dividends

Equity

At 31 December 2019, the Company's consolidated equity was EUR 31.4 million, which was equivalent to 13.7% of total assets. The debt-to-equity ratio was 6.3. The Board of Directors considers the current capital structure to be satisfactory in relation to the Company's objectives, strategy and risk profile.

Dividend policy

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

The Board proposes to refrain from paying a dividend to shareholders for 2019 due to the increased leverage ratio.

Share capital increases and issuance of shares

At the general meeting held on 10 May 2019, the Board of Directors was granted one authorisation to increase the share capital of the Company by a maximum of up to NOK 259,978.50 related to business acquisitions. The authorisation is valid until the Company's AGM in 2020 and will expire on 30 June 2020.

Purchase of own shares

At the general meeting held on 10 May 2019, the Board of Directors was granted an authorisation to repurchase own shares for nominal value of up to NOK 259 978.50 with purposes of reduction of the share capital and business acquisitions. The maximum amount that can be paid for each share is NOK 100 and the minimum is NOK 1. The authorisation is valid until the Company's AGM meeting in 2020 and will expire on 30 June 2020.

4. Equal treatment of shareholders and transactions with close associates

Pre-emption rights to subscribe

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

Trading in own shares

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

Transactions with close associates

The Board of Directors aims to ensure that any not immaterial future transactions between the Company and shareholders, a shareholder's parent company, members of the Board of Directors, executive personnel or close associates of any such parties are entered into on arm's length terms. For any such transactions which do not require approval by the general meeting pursuant to the Norwegian Public Limited Liability Companies Act, the Board of Directors will on a case-by-case basis assess whether a fairness opinion from an independent third party should be obtained. There were no transactions with close associates in 2019.

5. Shares and negotiability

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

6. General meetings

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

Notification

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

Participation and execution

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

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

The Board of Directors will seek to arrange for the general meeting to vote separately on each candidate nominated for election to the Company's corporate bodies.

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

7. Nomination committee

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

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

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

At 31 December 2019, the nomination committee consisted of the following members: Morten Lindeman and Benjamin Røer. The members were elected by the general meeting with a term until the Company's AGM in 2020.

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

8. Board of Directors: composition and independence

Pursuant to the articles of association section 5, the Company's Board of Directors shall consist of 3 to 7 members. At 31 December 2019, the Board of Directors consisted of the following five members: Gunnar Jacobsen, Torun Reinhammar, Mark Ivin and Beate Skjerven Nygårdshaug. The chairman of the board has been elected by the general meeting. The members of the Board of Directors are elected for a term of two years at a time and may be re-elected.

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

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

Name	Role	Considered independent	Served since	Term expires	Participation Board Meetings 2019	Number of shares in Infront (direct/ indirect)
Gunnar Jacobsen	Chairman	Yes	2008	2021	100%	72 463
Torun Reinhammar	Board member	Yes	2017	2020	100%	834
Mark Ivin	Board member	Yes	2017	2020	100%	18 233
Beate Skjerven Nygårdshaug	Board member	Yes	2017	2021	100%	7 291

9. The work of the Board of Directors

The rules of procedure for the Board of Directors

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

Guidelines for directors and executive management

The Board of Directors has adopted rules of procedures for the Board of Directors which inter alia 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 into by the Company.

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

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

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

The audit committee

The Company's audit committee is governed by the Norwegian Public Limited Liability Companies Act and a separate instruction adopted by the Board of Directors. The members of the audit committee are appointed by and among the members of the Board of Directors. A majority of the members shall be independent of the Company's operations, and at least one member who is independent of the Company shall have qualifications within accounting or auditing. Board members who are also members of the executive management cannot be members of the audit committee. At 31 December 2019, the audit committee consisted of the following two board members: Mark Ivin and Beate Skjerven Nygårdshaug.

The principal tasks of the audit committee are to:

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

The remuneration committee

The Company's remuneration committee is governed by a separate instruction adopted by the Board of Directors. The members of the remuneration committee are appointed by and among the members of the Board of Directors and shall be independent of the Company's executive management. At 31 December 2019, the remuneration committee consisted of the following three board members: Gunnar Jacobsen, Beate Skjerven Nygårdshaug and Mark Ivin.

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

10. Risk management and internal control

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

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

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

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

11. Remuneration of the Board of Directors

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

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

The annual report provides details of all elements of the remuneration and benefits of each member of the Board of Directors, which includes a specification of any remuneration in addition to normal fees to the members of the board. (See Note 27 Compensation to the Board of Directors and executive management for more details).

12. Remuneration of the executive personnel

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

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

13. Information and communications

General

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

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

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

14. Take-overs

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

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

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

15. Auditor

The company's external auditor is BDO AS.

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

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

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

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

CONSOLIDATED GROUP ANNUAL ACCOUNTS REPORT 2019

Consolidated income statement

(EUR 1000)	Note	2019	2018
Revenues	6,7	75 544	28 740
Total operating revenues			
Cost of services rendered		26 923	9 034
Salary and personnel costs	8,24,26,27	26 458	10 800
Other operating expenses	9,23	16 641	4 345
Depreciation, amortisation and net impairment losses	14,15,16	8 505	2 073
Other income	10	-2 817	-31
Total operating expenses		**75 710**	**26 221**
Operating profit		-166	2 519
Financial income	11	4 065	780
Financial expenses	11,22,23	-13 024	-949
Financial income/(expenses) - net		**-8 959**	**-169**
Profit before income tax		**-9 126**	2 349
Income tax expense	12	-1 605	-553
Profit for the year		**-10 730**	**1 797**
Profit is attributable to:			
Owners of Infront ASA		- 10 730	1 797
Non-controlling interests		0	0
		-10 730	1 797
Earnings per share			
Basic and diluted earnings per share	13	-0,40	0,06
Average number of shares		32 738 041	25 997 856
Number of shares at the end of year		43 329 760	25 997 856

Consolidated statement of comprehensive income

(EUR 1000)	**Note**	**2019**	2018
Profit for the year		**-10 730**	1 797
Other comprehensive income (net of tax):			
Exchange differences on translation of foreign operations		1 427	-407
Actuarial gains & losses	24	-1 001	0
Total comprehensive income for the year		**-10 304**	**1 390**
Total comprehensive income is attributable to:			
Owners of Infront ASA		-10 304	1 390
Non-controlling interests		0	0

Consolidated statement of financial position

(EUR 1000)	**Note**	**2019**	2018
ASSETS			
Non-current assets			
Equipment and fixtures	16	2 947	318
Right-of-use assets	23	13 671	0
Intangible assets	14	173 987	18 576
Deferred tax asset	12	5 790	575
Pension assets	24	646	40
Receivables	17	193	1 332
Total non-current assets		**197 234**	20 842
Current assets			
Trade and other receivables	17,19	12 533	9 984
Cash and cash equivalents	17,18,20	18 703	8 740
Total current assets		**31 236**	18 724
TOTAL ASSETS		**228 470**	39 566

(EUR 1000)	Note	2019	2018
EQUITY AND LIABILITIES			
Equity			
Share capital	21	458	279
Share premium		34 883	11 273
Share option program	26	317	100
Other equity		-6 985	3126
Total equity attributable to owners of the parent		**28 673**	14 778
Non-controlling interests	5	2 686	0
Total equity		**31 359**	14 778
Non-current liabilities			
Borrowings	17,18,22	101 757	5 300
Lease liabilities	23	11 283	0
Pension liabilities	24	8 659	244
Deferred tax liabilities	12	20 068	101
Other non-current financial liabilities	17	2 894	2 607
Total non-current liabilities		**144 661**	8 252
Current liabilities			
Borrowings	17,18,22	10 000	758
Current lease liabilities	23	2 643	0
Trade and other payables	17,25	29 333	10 518
Other current financial liabilities	17	3 316	1 299
Deferred revenue	7	4 759	3 769
Current tax liabilities	12	2 399	192
Total Current liabilities		**52 450**	16 536
Total liabilities		**197 111**	24 788
TOTAL EQUITY AND LIABILITIES		**228 470**	39 566

Oslo, 15 April 2020

Gunnar Jacobsen
Chairman of the Board

Kristian Nesbak
CEO

Mark Ivin
Member of the Board

Beate Skjerven Nygårdshaug
Member of the Board

Torun Reinhammar
Member of the Board

Consolidated statement of cash flows

(EUR 1000)	Note	2019	2018
Cash flows from operating activities			
Profit (loss) before tax		-9 125	2 349
Adjustments for			
Taxes paid	12	-259	-195
Depreciation, amortisation and net impairment losses	14,16	8 505	2 073
Pension expense without cash effect		-499	2
Reclassification interest expense		6 725	0
Reclassification interest income		-27	0
Unrealized net foreign exchange loss		1 446	0
Changes in conditional consideration			
Change in operating assets and liabilities, net of effects from purchase of controlled entities			
Change in trade receivable and other receivables	19	7 441	-742
Change in derivative financial instruments		0	0
Change in provisions		66	-240
Change in deferred revenue	7	-1 952	-20
Change in trade and other payables	25	-2 503	669
Net cash inflow from operating activities		**9 818**	**3 896**
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	5	-117 744	-620
Payment for intangible assets	14	-876	-10 479
Payment for property, plant and equipment	16	-1 473	-142
Payment for software development cost	14	-2 622	-1 192
Net cash (outflow) from investing activities		**-122 714**	**-12 433**
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares	5	23 618	0
Proceeds from borrowings	22	10 000	6 107
Repayments of borrowings	22	-5 744	-7
Net proceeds from bond issuance	5,22	102 256	0
Repayments of lease liabilities	23	-2 386	0
Dividends paid		0	-1 088
Interest cash expense	22	-4 888	0
Interest cash income		27	0
Net cash inflow from financing activities		**122 884**	**5 011**

Net increase/(decrease) in cash and cash equivalents	**9 988**	**-3 525**
Cash and cash equivalents 1 January	8 740	12 479
Effects of exchange rate changes on cash and cash equivalents	-25	-213
Cash and cash equivalents 31 December	**18 703**	**8 740**

Consolidated statement of changes in equity

(EUR 1000)	Note	Share capital	Share premium	Share issue Not registered	Share Option program	Translation differences	Retained Earnings	Attributable to the owners of the parent	Non-controlling interest	Total equity
Balance at 1 January 2018		279	11 273			-426	2 599	13 725	272	14 997
Profit/loss for the year							1 797	1 797		1 797
Currency translation differences						-250		-407		-407
Acquisition of non-controlling interest							-181	-181	272	-453
Put option to non-controlling interest							825	825		825
Share option program					103			103		103
Dividend							-1 088	-1 088		-1 088
Balance at 31 December 2018		279	11 273		103	-676	3 952	14 774	0	14 778
Profit/loss for the year							-10 730	-10 730		-10 730
Currency translation differences						1 427		1 427		1 427
Acquisition of non-controlling interest	5							0	2 686	2 686
Put option to non-controlling interest								0		0
Share option program					214			214		214
Dividend								0		0
Actuarial gains & losses							-1 001	-1 001		-1 001
Equity issue		179	23 610	196				23 985		23 985
Balance at 31 December 2019		**458**	**34 883**	**196**	**317**	**751**	**-7 932**	**28 673**	**2 686**	**31 359**

Notes

Note 1 General Information

Infront ASA (the Company), the parent company of the Infront Group (the Group) is a limited liability company incorporated and domiciled in Norway, with its head office in Munkedamsveien 45, 0250 Oslo. The Company is listed on Oslo Stock Exchange and has the ticker "INFRNT".

The Group is a 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 16 April 2020 and is subject to approval by the Annual General Meeting on 17 June 2020.

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:

- The acquisition of vwd Group in July 2019 (see note 5) which resulted in an increase in revenues of EUR 33 473 thousand and the recognition of goodwill and other intangible assets.
- To finance the acquisition of vwd Group a bond with was issued. The proceeds from the bond was EUR 105 million. The bond issue was completed 15 May 2019
- In addition to the bond issue an equity issue was completed 28 June 2019. The net proceeds from the equity issue was EUR 23,7 million

For a detailed discussion about the Group's performance and financial position please refer to our operating and financial review on pages 10 to 13.

Note 3 General accounting principles

Statement of compliance

The consolidated financial statements of Infront ASA are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU), and additional disclosure requirements in the Norwegian Accounting Act as effective as of 31 December 2019.

Basis of preparation

The consolidated financial statements of Infront ASA for the year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements consist of statement of comprehensive income, statement of financial position, cash flow statement, statements of changes in equity and disclosures.

All financial information in the financial statements are 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, with the exception of a financial asset carried at fair value (refer to note 17).

Basis for consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2019. 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 has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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 retranslated to the functional currency at the exchange rate on that date. Foreign exchange translation differences are recognized as part of financial items in profit or loss.

Foreign operations

The results and balance sheet items of subsidiaries that have a functional currency different from the Group's presentation currency (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 on the basis of four quarterly 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 12),
- Goodwill (refer to note 14),
- Valuation of pension provision (refer to note 24),
- Events after the reporting period (refer to note 30)

Note 4 Changed accounting principles

New standards, interpretations and amendments effective from 1 January 2019

New standards impacting the Group that has been adopted in the annual financial statements for the year ended 31 December 2019, and which have given rise to changes in the Group's accounting policies are:

IFRS 16 Leases

The Group has adopted IFRS 16 in its entirety as of 1 January 2019. The new rules have been applied using the modified retrospective approach from 1 January 2019. Comparatives for 2018 has not been restated, as permitted under the specific transitional provisions in the standard.

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 taken into account.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. For leases which had previously been classified as operating leases under the principles of IAS 17 Leases, the lease liability upon adoption of IFRS 16 is measured as the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The Group's weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4%.

The associated right-of use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet at 31 December2018.

For leases previously classified as financial leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of IFRS 16 (1 January 2019) is the carrying amount of the lease asset and lease liability immediately before that date (31 December 2018), measured in accordance with IAS 17.

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

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

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made when applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

The reclassifications and adjustments arising from the new leasing rules are recognized in the 1 January 2019 opening balance sheet. The following table explains the reconciliation between the operating lease commitments from applying IAS 17 as at 31 December 2018 and the lease liabilities recognized as at 1 January 2019:

(EUR 1000)	
Operating lease commitments as at 31 December 2018	**5 379**
Short term leases recognized on a straight-line basis as expense	-22
Low-value leases recognized in a straight-line basis as expense	0
Contracts reassessed as service agreements	0
Effect of discounting using the Group's weighted average incremental borrowing rate	-531
Lease liability recognized upon implementation of IFRS 16	**4 826**
Additions:	
IAS 17 financial lease liabilities recognized as at 31 December 2018	0
Total lease liability as at 1. January 2019	**4 826**
Of which are:	
Current lease liabilities*	674
Non-current lease liabilities**	4 151
Total lease liability as at 1 January 2019	**4 826**

Reference is made to note 23 for the new accounting policies.

Presentation currency

With effect from January 1, 2019 The Group has changed its presentation currency from NOK to EUR. Comparable figures are restated accordingly. The background for the change was the acquisition of the vwd Group which has a majority of their operations in Euro countries. Since the Group's main currency with regards to sales, costs, payroll and financing is EUR, the Board of Directors determined that EUR as presentation currency would be beneficial for the Group's investor and stakeholders.

Other

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

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 at 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

vwd Group GmbH

On 17 July 2019, Infront Group acquired vwd Group GmbH from a fund managed by The Carlyle Group with agreed purchase price of EUR 130.6 million on an enterprise value basis. Infront Group acquired 100% of the shares in the vwd Group GmbH.

Preliminary purchase price allocation - assets acquired and liabilities assumed

The preliminary amounts recognized at the date of acquisition in respect of identifiable assets acquired and liabilities assumed are set out in the table below. The non-controlling interest in the acquired entity has been recognized at fair value.

(EUR 1000)	
Customer relationships	47 362
Brand	7 364
Technology	9 962
Other intangible assets	810
Property, plant and equipment	2 162
Deferred tax assets	4 148
Other non-current assets	8 282
Accounts receivables and other receivables	11 638
Cash and cash equivalents	12 906
Other non-current financial liabilities	-12 795
Trade payables and other payables	-30 800
Deferred tax liabilities	-20 471
Total net identifiable assets acquired at fair value	**40 568**
Non-controlling interest measured at fair value	-2 685
Goodwill	92 782
Total consideration transferred	**130 665**
Net cash outflow arising on acquisition	
Cash consideration	130 664
Cash and cash equivalent balances acquired	12 905
	117 759

The fair value of the accounts receivables is EUR 7.1 million. The best estimate at acquisition date of the contractual cash flows not to be collected is EUR 0.2 million.

The goodwill of EUR 91.4 million arising from the acquisition consists of workforce and organization, customer service and presence in geographical markets. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition costs of EUR 4.4 million arose as a result of the transaction. These have been recognized as part of other operating expenses in the statement of comprehensive income.

Since the acquisition date 17 July 2019, the vwd Group has contributed EUR 33.5 million to group revenues and a negative EUR 1.3 million to the Group profits.

If the acquisition had occurred on 1 January 2019, the revenue for the Group (Infront) would have been EUR 115.1 million and the Group’s profit would have been negative EUR 9.5 million.

Market Connect

On 20 December 2018, the Infront group acquired Market Connect from Mediobanca S.p.A. Market Connect were a leading financial market information business in Italy. The transaction was structured as an asset deal where Infront acquired contracts, assets and liabilities connected to the Market Connect business. The acquisition expanded Infront's European market share, by joining forces with the leading mid-tier provider of financial market information in the Italian market. The total purchase price was EUR 7 045 thousand. The transaction consideration was paid in cash.

According to the purchase agreement the sellers are to bear capital expenditures up to a maximum amount and incremental costs up to a maximum amount incurred by the acquired business related to the migration from the previous owners. The arrangement is not considered a part of the business combination transaction. The amount shall be paid to the acquirer. The remaining amount at 31 December shall be settled before 31 December 2020. The fair value of the amount at 31 December is EUR 592 thousand and is recognized on the balance sheet as a receivable.

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

(EUR 1000)	
Customer relationships	4 003
Brand	1 686
Technology	
Other intangible assets	
Equipment and fixtures	40
Deferred tax assets	
Other non-current assets	
Trade and other receivables	5 724
Cash and cash equivalents	
Other non-current financial liabilities	193
Trade and other payables	-6 734
Deferred tax liabilities	
Total net identifiable assets acquired at fair value	**4 526**
Non-controlling interest measured at fair value	0
Goodwill	2 519
Total consideration transferred	**7 045**
Net cash outflow arising on acquisition	
Cash consideration	7 045
Cash and cash equivalent balances acquired	0
	7 045

The purchase price allocation is final.

The fair value of the acquired trade receivables is EUR 5 724 thousand. The gross contractual amount for trade receivables due is, EUR 5 76 of which EUR 40 thousand is expected to be uncollectible.

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 goodwill is deductible for tax purposes.

The acquired unit has from the date of acquisition contributed to the Group's revenues and profit before taxes by EUR 12 551 thousand and EUR -226 thousand respectively.

If the acquisition had occurred at the beginning of 2018, revenues for 2018 and profit before taxes for 2018 for the Group would have been EUR 38 343 thousand and EUR 2 109 thousand respectively. These amounts have been calculated using carved out financial statements for the acquired business. The available financial statements follow a financial year that ends 30 June. The 2018 result is calculated as 50 % of the 2017/18-result and 50 % of the 2018/19-budget.

Acquisition cost recognized in the income statement for 2018 was EUR 462 thousand. The acquisition costs are included in the other operating expenses line item in the income statement for 2018.

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 component's 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 Company has determined that the Group's executive management is collectively the chief operating decision maker.

Description

The Group has identified three reportable segments of its business. The segments are different from reported segments for 2018. The reported segments in 2018 were Norway, Sweden and other. The acquisition of vwd Group has changed management reporting, where vwd Group until further is reported as an independent segment and Infront's activities prior to the acquisition are separated as shown in tables below. Comparable disclosures are restated.

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

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

Segment information 2019

(EUR 1000)	Infront Solutions and terminal	vwd Group	News and other	Eliminations	Consolidated
Revenue					
External customers	35 981	33 473	6 090	0	75 544
Inter-segment	11 560	0	2 776	-14 336	0
Total revenue	**47 541**	**33 473**	**8 866**	**-14 336**	**75 544**
EBITDA	-1 615	8 333	1 620	0	8 338
inter-segment	-2 234	0	2 234	0	0
Total assets	113 972	110 638	3 106	0	228 470
inter-segment	66 630	78 734	3 369	-148 733	0
Total liabilities	132 781	62 129	2 200	0	197 110
inter-segment	15 400	47 481	1 094	-63 975	0
Depreciation and amortisation	3 572	4 900	34	0	8 505
inter-segment	-1 293	0	-19	1 312	0

Segment Information 2018

(EUR 1000)	Infront Solutions and terminal	News and other	Eliminations	Consolidated
Revenue				
External customers	22 390	6 349		28 740
Inter-segment	10 733	2 871	-13 604	0
Total revenue	**33 123**	**9 221**	**-13 604**	**28 740**
EBITDA	3 020	2 896	0	4 592
inter-segment	-2 262	2 262	0	0
Total assets	26 670	2 896	0	39 566
inter-segment	22 118	2 629	-24 747	0
Total liabilities	22 478	2310	0	24 788
inter-segment	18 133	721	-18 854	0
Depreciation and amortisation	2 025	48	0	2 073
inter-segment	-563	-20	583	0

Revenue by region

(EUR million)	DACH	Nordic Region	Other regions
2018	0	26 344	2 396
2019	28 358	26 619	20 567

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 terminal, data, financial news and subscription to solutions. The Group also derive revenue from advisory services and different customizing of software and solutions.

When the Group enters into 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 (licence 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 services contracts that are settled on the basis of the time units provided, which are identified as a separate performance obligation and recognized as the service is delivered. Revenues of consulting from service contracts of which a settlement takes place on the basis of the time units are realized depending on rendered services

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

Description

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

Terminal Solutions (TS)

Infront provides market data and investment process solutions for its clients that combines real-time global market data, news and electronic trading.

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 for its clients' securities trading centres in most varied forms: whether on or off the exchange, limit trading, and request for quote or matching systems.

Changes in deferred revenue during the year

(EUR 1000)	**2019**	2018
Opening balance deferred revenue at 1 January	3 769	2 134
Additions from business combinations	2 940	1 700
Net movement	-1 931	- 65
Loss allowance	-19	0
Total	**4 759**	3 769

Revenue by product group and segment 2019

(EUR 1000)	**Infront Solutions and terminal**	**vwd Group**	**News and other**	**Eliminations**	**Consolidated**
Terminal Solutions	29 159	9 445			38 604
Feed Solutions	6 901	3 759			10 660
Portfolio and Advisory Solutions		5 731			5 731
Publication and Distribution Solutions		6 232	5 818		12 050
Regulatory and Calculations Solutions		3 147			3 147
Other Solutions		5 160	192		5 352
Total	**36 060**	**33 474**	**6 010**	**0**	**75 544**

Revenue by product group and segment 2018

(EUR 1000)	**Infront Solutions and terminal**	**News and other**	**Eliminations**	**Consolidated**
Terminal Solutions	22 390			22 390
Feed Solutions				
Portfolio and Advisory Solutions				
Publication and Distribution Solutions		6 030		6 030
Regulatory and Calculations Solutions				
Other Solutions		320		320
Total	**22 390**	**6 350**	**0**	**28 740**

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

Note 8 Payroll

Number of employees during the year (Full-time equivalents) was 514 in 2019 and 133 in 2018.

Salary and personnel costs

(EUR 1000)	**2019**	2018
Salaries	20 532	6 588
Payroll tax	3 883	1 996
Pension costs	680	513
Other benefits	1364	1 704
Total	**26 458**	10 800

Note 9 Other operating expenses

Other operating cost consists of the following:

(EUR 1000)	**2019**	2018
Services	4 802	1 287
Consultancy fees	3 834	942
Travel expenses	408	225
Marketing	304	156
General administrative costs	3546	270
Loss on receivables	273	52
Other operating expenses	3 474	1 412
Other operating expenses	**16 641**	4 345

Specification of the auditor's fees:

(EUR 1000)	**2019**	2018
Audit fee (BDO)	142	56
Audit fee (Other)	178	
Other audit related services (BDO)	28	16
Tax advisory		
Other services		
Total	**348**	72

Note 10 Other Income

Other income consists of the following:

(EUR 1000)	**2019**	2018
Reversal of Phantom Share Scheme vwd	1 587	
Reversal previous years' expense provision	400	
Net reimbursement of expenses	216	
Other reversal of provisions	614	31
Other income	**2 817**	31

The Phantom Share Scheme was a compensation arrangement for the former senior management of vwd Group. The compensation was provided for in vwd Group's financial statements, but ultimately paid by the former owners of the Group. The provision of EUR 1 587 thousand was therefore reversed in 2019.

The former owners of Market Connect (refer to Note 5) agreed to reimburse Infront for certain operating expenses in 2019 and 2020. This was recognized as a financial asset measured at fair value (refer to Note 17) in Infront. The net of the fair value adjustment of the financial asset and the actual reimbursement is for 2019 EUR 216 thousand.

Note 11 Financial items

(EUR 1000)	**2019**	2018
Interest income	37	37
Exchange gains	3 925	708
Other financial income	103	35
Financial Income	4 065	780
Interest expense	6 746	127
Exchange losses	5 627	771
Other financial expense	651	51
Financial expenses	13 024	949
Net financial items	**-8 959**	-169

Note 12 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 on the basis of the statutory regulations in force or enacted on the balance sheet date.

Deferred tax assets and liabilities are calculated on the basis of temporary differences between the carrying amount of assets and liabilities in the financial statement and their tax basis, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available, against which the assets can be utilized. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. The companies included in the consolidated financial statement are subject to income tax in the countries where they are domiciled.

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

(EUR 1000)	**2019**	2018
Current tax	2 521	213
Changes in deferred tax	-916	339
Income tax expense (income)	**1 605**	533

(EUR 1000)	**31.12.2019**	31.12.2018
Deferred tax balances		
Losses carried forward	9 975	209
Property, plant and equipment	475	305
Intangible assets	-19 929	
Accounts receivable	32	3
Provisions	800	
Other	467	
Subtotal	-8 181	- 518
Non-recognized deferred tax assets	-6 096	-45
Net deferred tax asset (liability)	**-14 277**	474
Reconciliation to balance sheet		
Deferred tax assets	5 790	575
Deferred tax liabilities	20 068	101
Net deferred tax assets (liabilities)	**-14 277**	474

(EUR 1000)	**2019**	2018
Recognition of the effective tax rate with the Norwegian tax rate:		
Profit before tax	-9 126	2 349
Expected tax expense using nominal tax rate of 22 % (23% in 2018)	-1 519	540
Write-downs of goodwill	0	
Non-taxable income	-1 729	
Non-deductible expenses	2 450	93
Effect from different tax rate in other countries	134	-111
Effect from change in tax rate	124	13
Impairment of deferred tax assets from business acquisition (Note 5)	1 864	
Tax loss carried forward not previously recognized	-271	26
Research and development tax refunds	0	-29
Other	552	20
Income tax expense (income)	**1 605**	553
Effective tax rate	**-17.6%**	24.0%

Note 13 Earnings Per Share (EPS)

Accounting principles

The calculation of basic earnings per share is based on the profit attributable to ordinary shares using the weighted average number of ordinary shares outstanding during the year after deduction of the average number of treasury shares held over the period.

The calculation of diluted earnings per share is consistent with the calculation of the basic earnings per share, but at the same time gives effect to all dilutive potential ordinary shares that were outstanding during the period, by adjusting the profit/loss and the weighted average number of shares outstanding for the effects of all dilutive potential shares, i.e.:

- The profit/loss for the period attributable to ordinary shares is adjusted for changes in profit/loss that would result from the conversion of the dilutive potential ordinary shares
- The weighted average number of ordinary shares is increased by the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares

Description

	2019	2018
Profit	-10 730	1 797
Average number of shares outstanding	32 738 041	25 997 856
Average number of shares and options outstanding	32 738 041	25 997 856
Basic earnings per share (EUR/Share) (restated 2018)	-0.40	0.06
Basic earnings per share (EUR/Share) (original)	0	0.74
Diluted earnings per share (EUR/Share)*	-0.40	0.06

	2019	2018
Average number of shares outstanding	32 738 041	25 997 856
Dilution effects		
Warrants		
Average number of shares outstanding adjusted for dilution effects	32 738 041	25 997 856

*Since the Group is presenting a loss of EUR -10 730 the options cannot have dilutive effects and basic EPS and diluted EPS is therefore equal.

Note 14 Intangible assets

Accounting principles

Intangible assets acquired in business combinations

Acquired Intangible assets comprise customer contracts, brand 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 15).

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 is able to measure reliably the expenditure attributable to the intangible asset during its development. The expenditure capitalized includes primarily direct labor 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 the software the Group's main offering is based on is a continuous process. The customers expect an up to date service and the software is updated and/or changed regularly. The useful life of a development project is difficult to estimate and monitor. The estimated useful life for development projects is 3 years.

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

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

Year ended 31 December 2019

(EUR 1000)	Capitalised develop-ment*	Customer contracts	Database	Brand	Goodwill	Total
Opening balance accumulated cost	**7 682**	6 328	598	0	4 425	**27 284**
Additions	2 576		419			**2 995**
Acquisition of business (note 5)					8 250	**0**
Acquisition of business - allocation incomplete (note 5)	6 996	47 362	3 494	7 364	92 782	**157 997**
Sale/disposals	-3					**-3**
Reclassifications	-174	4 003	174	1 686	-5 731	**-42**
Exchange differences	14	-141	128		-51	**-50**
Closing balance accumulated cost	**17 091**	**57 551**	**4 814**	**9 050**	**99 675**	**188 180**
Opening balance accumulated amortization and impairment	6 508	1 972	228			8 708
Amortization charge	1 486	1 803	648	1 564		**5 502**
Reclassification	-15		-15			**-30**
Exchange differences	11		2			**13**
Closing balance accumulated amortization and impairment	7 990	3 775	863	1 564	0	14 193
Closing net book amount	**9 101**	**53 776**	**3 950**	**7 485**	**99 675**	**173 988**

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	-

Year ended 31 December 2018

(EUR 1000)	Capitalised develop-ment*	Customer contracts	Database	Brand	Goodwill	Total
Opening balance accumulated cost	**6 637**	6 385	541		4 480	**18 043**
Additions	1 123		68			**1 190**
Acquisition of business (note 5)						**0**
Acquisition of business - allocation incomplete (note 5)						**8 250**
Sale/disposals	2					**2**
Reclassifications						**0**
Exchange differences	-79	-2	-11		-55	**-202**
Closing balance accumulated cost	**7 682**	**6 328**	**598**	**0**	**4 425**	**27 284**
Opening balance accumulated amortization and impairment	**5 208**	1 414	102			**6 724**
Amortization charge	1 284	560	127			**1 971**
Reclassification						**0**
Exchange differences	15	-2				**13**
Closing balance accumulated amortization and impairment	6 508	1 972	228	0	0	**8 708**
Closing net book amount	**1 175**	**4 356**	**370**	**0**	**4 425**	**18 576**

*) Capitalised development is an internally generated intangible asset.

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

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

Note 15 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

Goodwill and intangible assets mainly relate to the acquisitions of vwd Group and Market Connect. A segment-level summary of the goodwill and intangibles assets allocation is presented below:

(EUR 1000)	**31.12.2019**	31.12.2018
Infront Solutions and terminal	12 283	12 284
vwd Group	146 566	0
News and other	1 797	1 817
Total	**159 946**	14 641

Impairment test 2019

Goodwill was tested for impairment at the end of 2019. No impairment losses were identified in 2019, 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:

	Infront Solutions and terminal	**vwd Group**	**News and other**
Growth in revenue (annual growth rate)	1.0%	1.0%	1.0%
EBITDA margin	15.9%	32.2%	29.6%
WACC	8.7%	8.9%	8.7%
Debt-to-equity ratio	131.4%	131.4%	209.1%

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

Assumption	**Approach used to determine values**
Growth in revenue	Low, but realistic and decreasing revenue growth in the 5-year period.
EBITDA margin	EBITDA margins estimated based on 2019 budget and slightly improved over the 5-year period.
WACC	Based on observable and usual rates, premiums and other factors.
Debt capital ratio	Including current and non-current financial liabilities

Sensitivity analysis was performed to test the impairment model and its assumptions. In the simulation 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 16 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

Year ended 31 December 2019

(EUR 1000)	**Tenant installations**	**Technical equipment and machines**	**Other equip-ment, opera-ting and office equipment**	**Total**
Opening balance accumulated cost	0	0	2 012	2 012
Additions	78	416	749	1 243
Acquisition of business (note 5)				
Acquisition of business - allocation incomplete (note 5)	27	1 805	330	2 162
Sale/disposals		-2		-2
Exchange differences	1	1	2	4
Closing balance accumulated cost	**106**	**2 220**	**2 093**	**5 419**
Opening balance accumulated depreciation and impairment			1 693	1 693
Depreciation charge	27	410	340	777
Impairment charge				
Exchange differences		1	1	2
Closing balance accumulated depreciation and impairment	**27**	**411**	**2 035**	**2 473**
Closing net book amount	**80**	**1 809**	**1 058**	**2 947**

Estimated useful life, depreciation plan is as follows:

Economic life	3-8 years	3-8 years	3-5 years
Depreciation plan	Linear	Linear	Linear

Year ended 31 December 2018

(EUR 1000)	Tenant installations	Technical equipment and machines	Other equip-ment, opera-ting and office equipment	Total
Opening balance accumulated cost			1 879	1 879
Additions			139	139
Acquisition of business (note 5)				
Acquisition of business - allocation incomplete (note 5)				
Sale/disposals				
Exchange differences			-6	-6
Closing balance accumulated cost			**2 012**	**2 012**
Opening balance accumulated depreciation and impairment			1 624	1 624
Depreciation charge			71	71
Impairment charge				
Exchange differences			-1	-1
Closing balance accumulated depreciation and impairment			**1 693**	**1 693**
Closing net book amount	**0**	**0**	**319**	**319**

Estimated useful life, depreciation plan is as follows:

Economic life	3-8 years
Depreciation plan	Linear

As at December 31, 2019 there were no obligations for the acquisition of fixed assets (last year 0).

Note 17 Financial instruments

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 on the basis of 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 as a whole, 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

Description

The Group holds the following financial instruments:

(EUR 1000)	Notes	**2019**	2018
Financial assets			
Financial assets at amortized cost			
- Trade receivables	19	11 941	9 313
- Other financial assets at amortized cost		193	
- Cash and cash equivalents	20	18 703	8 740
Financial assets measured at fair value through profit or loss***		592	
		31 429	18 054

Financial liabilities			
Liabilities at amortized cost			
- Trade and other payables *	25	32 649	1 970
- Borrowings *	22	111 757	5 300
- Other financial liabilities at amortizxed cost		6 212	2 607
Lease liabilities **	23	13 926	
		164 544	9 876

* Excluding non-financial liabilities

** See note 4 for details about the impact from changes in accounting policies.

*** the financial assets are measured at Level 2 in the fair value hierarchy.

The Group's exposure to various risks associated with the financial instruments is discussed in note 18. 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 18 Financial risk management

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

The Group is exposed to market risk, credit risk and liquidity risk.

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.	Foreign currency forwards and foreign currency options
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swap
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

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, 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.

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

(EUR 1000)	**2019**	2018
Net foreign exchange gain/(loss) included in other gains/(losses)	-3	0
Exchange losses on foreign currency borrowing included in finance costs	-1 411	-146
Total net foreign exchange (losses) recognized in profit before income tax for the period	**-1 414**	**-146**

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 1000)	**31 December 2019**		31 December 2018	
	- 5%	+ 5%	- 5%	+ 5%
DKK	-147	147	-171	171
GBP	41	-41	47	-47
NOK	425	-425	-119	119
SEK	-53	53	-67	67
USD	55	-55	44	-44
ZAR	3	-3	7	-7

(EUR 1000)	**31 December 2019**		31 December 2018	
	- 10%	+ 10%	- 10%	+ 10%
DKK	-295	295	-343	343
GBP	83	-83	94	-94
NOK	849	-849	-237	237
SEK	-106	106	-133	133
USD	109	-109	88	-88
ZAR	5	-5	14	-14

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 into 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 2019, 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 1000)	**2019**	**% of total loans**	2018	% of total loans
Variable rate borrowings	111 757	100%	5 300	100%
Other borrowings – repricing dates:				
- 6 months or less				
- 6 – 12 months				
- 1 – 5 years				
- Over 5 years				
	111 757	100 %	5 300	100 %

An analysis by maturities is provided in note 21. 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 1000)	**Impact on post tax profit**		**Impact on other components of equity**	
	2019	2018	**2019**	2018
Interest rates – increase by 70 basis points (2018 – 60 bps) *	628	25	628	25
Interest rates – decrease by 100 basis points (2018 – 80 bps) *	897	33	897	33

* 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. 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 17 Financial instruments and Note 19 Trade and other receivables.

Liquidity risk

The Group's objective is to maintain a balance between continuity of stable net cash inflow from operation due to high and recurring turnover, and flexibility through the use of bank overdrafts and bank loan facilities. Approximately 27% of the Groups debt will mature in less than one year at 31 December 2019 (2018: 17%) 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 20) on the basis of 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 take into account 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.

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 amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the following gearing ratio: Net debt as per note 22 / Total equity

The gearing ratios at 31 December 2019 and 31 December 2018 were as follows:

(EUR 1000)	**2019**	2018
Net debt	93 054	-3 440
Total equity	31 359	14 778
Net debt to total equity ratio	297 %	-23 %

Note 19 Trade and other 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 considered to be 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 31 December 2019 or 1 January 2019 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 2019.

Description

(EUR 1000)	**2019**	2018
Trade receivables from contracts with customers	12 928	10 034
Loss allowance	-396	-50
Total	**12 532**	9 984

Note 20 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 1000)	**2019**	2018
Cash and Cash Equivalents		
Cash in bank	18 703	8 740
Cash equivalents		
Total Cash and Cash Equivalents	**18 703**	8 740
Drawn overdraft	0	0
Total Cash and Cash Equivalents	**18 703**	8 740
Of which restricted Cash		
Guarantees for leases and credits from suppliers	0	0
Taxes withheld	205	192
Other restricted cash	0	0
Total Restricted Cash	**205**	192

Note 21 Share capital and shareholder information

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

31.12.2019	**Number of Shares**	**Nominal amount (EUR)**	**Book Value**
Ordinary shares	43 329 760	0.001	35 341
Total	**43 329 760**	**0.001**	**35 341**

31.12.2018	**Number of Shares**	**Nominal amount (EUR)**	**Book Value**
Ordinary shares	25 997 856	0.0004	11 552
Total	**25 997 856**	**0.0004**	**11 552**

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

Ownership structure

Largest shareholders as of 31 December 2019:

Name	**Number of shares**	**% of shares**
LINDEMAN AS CIO	6 000 000	13.8 %
NESBAK AS CEO	5 340 000	12.3 %
JPMorgan Chase Bank	5 108 122	11.8 %
STRAWBERRY CAPITAL AS	2 423 187	5.6 %
HSBC TTEE MARLB EUROPEAN TRUST	2 031 915	4.7 %
HANDELSBANKEN Nordiska Smabolag	1 941 666	4.5 %
Ram One	1 375 660	3.2 %
Goldman Sachs International	1 319 723	3.0 %
SOLE ACTIVE AS	1 258 866	2.9 %
VERDIPAPIRFONDET DNB SMB	1 256 977	2.9 %
CORE NY TEKNIK	1 203 333	2.8 %
Citibank	1 024 349	2.4 %
RUGZ AS	969 326	2.2 %
Danske Bank A/S	901 523	2.1 %
MP PENSJON PK	741 413	1.7 %
VASSBOTN EMPLOYEE	642 913	1.5 %
SKANDINAVISKA ENSKILDA BANKEN	605 131	1.4 %
Rational Asset Management Equity L	595 664	1.4 %
Skandinaviska Enskilda Banken AB	60 461	1.4 %
Remaining shareholders	7 986 531	18.4 %
Total number of shares	**43 329 760**	**100 %**

Largest shareholders as of 31 December 2018:

Name	Number of shares	% of shares
LINDEMAN AS CIO	4 366 667	16.8 %
NESBAK AS CEO	4 233 334	16.3 %
JPMorgan Chase Bank, London	1 861 622	7.2 %
JPMorgan Chase Bank, London	1 370 000	5.3 %
HSBC TTEE MARLB EUROPEAN TRUST	1 219 149	4.7 %
Euroclear Bank S.A./N.V.	1 219 006	4.7 %
State Street Bank and Trust Comp	1 129 808	4.3 %
HANDELSBANK NORDISKA SMABOLAGSFOND	1 020 000	3.9 %
Nordnet Bank AB	871 226	3.4 %
Goldman Sachs International	791 834	3.0 %
VASSBOTN	650 010	2.5 %
Skandinaviska Enskilda Banken AB	646 499	2.5 %
Citibank, N.A.	579 134	2.2 %
Ram One	536 500	2.1 %
Skandinaviska Enskilda Banken S.A.	530 006	2.0 %
Danske Bank A/S	489 411	1.9 %
Skandinaviska Enskilda Banken AB	399 234	1.5 %
MP PENSJON PK	300 000	1.2 %
CLEARSTREAM BANKING S.A.	291 500	1.1 %
Remaining shareholders	3 492 916	13.4 %
Total number of shares	**25 997 856**	**100 %**

Note 22 Borrowings and securities/pledges

Accounting principles

Refer to note 17 Financial instruments for the description of the accounting principles.

Description

Net debt (EUR 1000)	Note	2019	2018
Cash and cash equivalents	**19**	18 703	8 740
Borrowings – repayable within one year		10 000	758
Borrowings – repayable after one year		101 757	5 300
Net debt		**93 054**	**-2 682**

Bond issue

The acquisition of vwd Group (refer to note 5) was financed through an equity and bond issue. A series of bonds were issued per 30 June 2019 to a maximum of EUR 200 million, whereby the initial bond issue was EUR 105 million. The bond matures 15 May 2023. The bond has a floating coupon of 3M EURIBOR + 5.75% p.a. is paid quarterly. The bond is senior secured. 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 have to pay a premium.

The bond issue was completed on 15 May 2019. The proceeds from the bond issue were EUR 105 million excluding direct transaction costs of EUR 3.7 million (pre-tax).

Liabilities to credit institutions

The Group obtained a loan facility of NOK 60 000 000 from Danske Bank, Norway (FOBA) on 14 December 2018 to partly finance M&A transactions. This loan facility was settled on 17 July 2019 as a part of the vwd transaction.

On the transaction date the Group entered into a revolving credit facility (RCF) with Danske Bank amounting to EUR 10 million. At 31 December 2019 the RCF is fully drawn. In accordance with the terms of the RCF it must be cleaned down once every 12 months for 2 consecutive days. At the end of January 2020, the clean down was successfully executed.

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 bond documents available on Oslo Børs. The Net Total Leverage Ratio must be below 9.00 at any date in 2019 and 2020, below 8.00 at any date in 2021 and 20222 and below 7.00 at any date in 2023. For the calculation of the covenant for 2019 the vwd Group is included as if the consolidation took place from 1 January 2019.

Maturity profile of the Group's financial liabilities

(EUR 1000) As of 31 December 2019	Less than 1 year	1-3 years	3-5 years	Over 5 years	Total contractual cash flows
Non-derivatives					
Trade payables	29 333				29 333
Borrowings (excluding leases)	10 000		101 757		111 757
Lease liabilities	2 643	4 631	3 857	2 794	13 925
Total non-derivatives	**41 976**	**4 631**	**105 614**	**2 794**	**155 015**

The Group has no derivatives at 31 December 2019.

(EUR 1000) As of 31 December 2018	Less than 1 year	1-3 years	3-5 years	Over 5 years	Total contractual cash flows
Non-derivatives					
Trade payables	10 518				10 518
Borrowings (excluding leases)	758	5300			6 058
Total non-derivatives	**10 518**	**5 300**	**0**	**0**	**16 576**

The Group had no derivatives at 31 December 2018.

Reconciliation of changes from financing cash flows

(EUR 1000)	Loans and borrowings	Lease liabilities	Total
Balance 01.01.2019	6 058	4 804	**10 862**
Changes from financing cash flows			
Repayment of borrowings	-6 058	-2 386	-8 444
Proceed from borrowings	115 057		115 057
Interest paid			0
Total changes from financing cash flows	**108 999**	**2 418**	**117 745**
Non-cash changes			
Amortization of finance fees	-3 300		-3 300
Effect of changes in foreign exchange rates		5	5
Changes in fair value			0
New finance lease		6 700	6 700
Total non-cash changes	**-3 300**	**6 705**	**3 405**
Balance 31.12.2019	**111 757**	**13 926**	**120 880**

Non-current and current liabilities at 31.12.2019

(EUR 1000)	Loans and borrowings	Lease liabilities	Total
Non-current liabilities	101 757	11 283	113 040
Current liabilities	10 000	2 643	12 643
Total non-current and current liabilities	**111 757**	**13 926**	**125 683**

(EUR 1000)	Loans and borrowings	Lease liabilities	Total
Balance at 01.01.2018	7	0	**7**
Changes from financing cash flows			
Repayment of borrowings	-7		-7
Proceed from borrowings	6 107		6 107
Interest paid			
Total changes from financing cash flows	**6 100**		**6 100**
Non-cash changes			
Amortization of finance fees			
Effect of changes in foreign exchange rates	51		51
Changes in fair value			
New finance lease			
Total non-cash changes	**51**		**51**
Balance 31.12.2018	**6 158**		**6 158**

Non-current and current liabilities at 31.12.2018

(EUR 1000)	Loans and borrowings	Lease liabilities	Total
Non-current liabilities	5 300		5 300
Current liabilities	758		758
Total non-current and current liabilities	**6 058**		**6 058**

Note 23 Leasing

The Group implemented IFRS 16 1 January 2019. The implementation is further presented in note 4.

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
- makes adjustments 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 so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured 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.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options

Extension and termination options are included in a number of 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. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Description

Amounts recognized in the balance sheet

(EUR 1000)	**31.12.2019**	01.01.2019
Right of use assets		
Property	11 513	4 804
Equipment	237	0
Cars	322	0
Other	1600	0
Total	**13 671**	4 804
Lease liabilities		
Current	2 643	519
Non-Current	11 283	4 285
Total	**13 926**	4 804

Amounts recognized in the statement of profit or loss

Depreciation charge of right-of-use assets

(EUR 1000)	**2019**	2018
Properties	1 449	0
Equipment	196	0
Cars	94	0
Others	486	0
Total	**2 225**	0

Interest expense	325	0
Expenses relating to short-term leases	813	0
Expenses relating to leases of low-value	63	0
Expenses relating to variable lease payments not included in lease liabilities	0	0
Income from subleasing right of use assets	0	0
Gains or losses arising from sale and leaseback transactions	0	0

The Group's agreements consists 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 years period. Some building leases have extension options and this has been taken into account.

(EUR 1000)	**Right-of-use assets**
Opening balance accumulated cost	4 803
Additions	3 469
Acquisition of business (note 5)	7 687
Disposals	0
Exchange differences	-52
Closing balance accumulated cost	**15 906**
Opening balance accumulated depreciation and impairment	0
Depreciation charge	-2 225
Impairment charge	
Exchange differences	-10
Closing balance accumulated depreciation and impairment	**-2 235**
Closing net book amount	**13 671**

(EUR 1000)	**Lease liabilities**
Opening balance lease liability	4 803
New lease lease liabilities	3 469
Acquisition of business (note 5)	7 778
Leasing payments	-2 393
Interest expense on lease liabilities	325
Exchange differences	-55
Closing balance lease liability	**13 926**

Note 24 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 companies' pension scheme follow 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 vwd 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 on the basis of 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 31 December 2005, and all staff who have joined or will join the company as from 1 January 2006 do not receive a pension commitment from vwd GmbH. There exist no plan assets for this plan.

The recognized carrying amount of pension liabilities related to the pension plan is EUR 4 598 thousand as of 31 December 2019 (and EUR 4 035 thousand as of 31 December 2018).

FIDES employee benefits

The pension plan of FIDES Information Services GmbH came into force in 1980 and is valid in the version most recently amended in 1991. The staff of the former FIDES Information Services GmbH are entitled to a post-employment pension after completion of their 65th year; they also have claims to a disability pension in case of invalidity and a surviving dependent’s pension in case of the death of the pension recipient. The commitment amounts are dependent on salary and length of service.

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 assets related to the pension plan is EUR 575 thousand as of 31 December 2019 (and EUR 575 thousand as of 31 December 2018).

Switzerland

Until 2010 the staff of the former vwd group Switzerland 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 vwd PortfolioNet Service AG. Zurich and vwd group Switzerland AG, Zurich, in 2018 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 on the basis of 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 3 339 thousand as of 31. December 2019 (and EUR 2 367 thousand as of 31 December 2018).

Sweden, Belgium and other

The Group have also defined benefit plans in Sweden and Belgium, 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 guarantees of reinsurance coverage classified as reimbursements is set out in the following table. Note that since these pension plans were included in the Group with acquisition of the vwd Group the starting point is 17 July 2019.

(EUR 1000)	**2019**	2018
Present value on July 17	**14 127**	0
Adjustments due to exchange rate changes	181	
Past-service costs	358	
Retroactively calculated past-service costs		
Interest expenses	187	
Contributions by beneficiary employees	1 471	
Actuarial gains (-)/ losses (+)		
– from changes to demographic assumptions		
– from changes in financial assumptions	1 466	
– due to experience-based adjustments	-27	
Pension payments	-1 918	
Present value on December 31	**15 844**	0
Plan asset on July 17	**-7 325**	**0**
Adjustments due to exchange rate changes	-133	
Interest income	-76	
Contributions by employers	-308	
Gains (+)/losses (-) from revaluation (excluding amounts included in interest income)	-95	
Pension payments	1 810	
Contributions by beneficiary employees	-1 471	
Plan asset on December 31	**-7 599**	**0**
Net liability		
Obligations for benefit commitments	15 844	0
less plan asset	-7 599	0
As at December 31	**8 245**	**0**
Reimbursement rights on July 17	**596**	
Benefits paid from reinsurance policies	-13	
Actuarial gains (+)/ losses (-)		
Contributions to reinsurance policies	4	
Income from reimbursement claims	9	
Reimbursement rights on December 31	**596**	**0**

Components of net periodic benefit cost include:

(EUR 1000)	**2019**	2018
Past-service costs	358	
Retroactively calculated past-service costs	0	
Net interest expense (+)/ income (-)	111	
Expenses for defined contribution plans	0	
Amounts recognized in income statement	**468**	0
Actuarial gains (-)/ losses (+) from changes to demographic assumptions		
Actuarial gains (-)/ losses (+) from changes in financial assumptions	1 466	
Actuarial gains (-)/ losses (+) due to experience-based adjustments	-121	
Amounts included in other comprehensive income	**1 345**	0
TOTAL	**1 813**	0

Assumptions

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

	2019	2018
Actuarial interest rate	0.6	
Fluctuation	5.4	
Expected annual rise in income	2.0	
Expected annual rise in pension	0.5	

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

Note 25 Trade and other payables

(EUR 1000)	**2019**	2018
Trade payables	12 993	1 173
Public duties	959	1 013
Accrued vacation pay	1 517	981
Accrued expenses	7 218	776
Other current payables	6 646	6 575
Total Trade and other payables	**29 333**	**10 518**

Note 26 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 takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at the grant date, expected price volatility of the underlying share and risk free interest rate. The expected share price volatility is based on historical volatility for a selection of comparable listed companies. Risk free interest rate is based on treasury bonds with structure similar duration as the option program. For 2019 a risk-free rate of 1.240% and a volatility of 30.00% has been used in the calculation.

Description

On the basis of the approval by the Annual General Meeting of 10 May 2019 to authorize the Board of Directors of Infront ASA to issue new shares to management under a long-term incentive program, the Board has resolved to issue options to a selection of management in the Company.

A total of 1 519 236 options for shares of the Company were distributed amongst the management. Each option, when exercised, will give the right to acquire one share in the Company. The options are granted without consideration. Pursuant to the vesting schedule, 1/3 of the options will vest annually after the day of grant (as long as the option holder is still engaged by the Company). The exercise price is equal to NOK 19.40 per share, equal to the theoretical share price exclusive of the subscription rights ("TERP") based on the Company's closing share price on the Oslo Stock Exchange of NOK 23.00 on Friday 31 May 2019. Any options not exercised by the 5th anniversary of the grant will be void.
In addition, an adjustment to the granted instruments in 2018 was made. The exercise price of options awarded on 27 June 2018 is adjusted to NOK 23.53, reflecting the fair value adjustment for the theoretical value of 2/3 subscription rights per share based on the Company's closing share price on the Oslo Stock Exchange of NOK 23.00 on Friday 31 May, 2019. The share option program and properties of the options are described in note 26 in Infront's annual financial statements for 2018.The share option program consists of six tranches, as displayed in the table below:

31.12.2019

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 excercise price	Forfeited options	Remaining share options
Tranche I	928 095	23.53	26.06.2018	26.06.2019	26.06.2023	N/A	344 309			77 469	266 840
Tranche II	1 317 681	23.53	26.06.2018	26.06.2020	26.06.2023	N/A	344 309			77 469	266 840
Tranche III	1 630 070	23.53	26.06.2018	26.06.2021	26.06.2023	N/A	344 309			77 469	266 840
Tranche IV	3 040 826	19.40	14.11.2019	14.11.2020	14.11.2024	N/A	506 412				506 412
Tranche V	3 544 669	19.40	14.11.2019	14.11.2021	14.11.2024	N/A	506 412				506 412
Tranche VI	3 967 635	19.40	14.11.2019	14.11.2022	14.11.2024	N/A	506 412				506 412
Total	**14 428 977**						**2 552 163**	**0**	**.**	**232 407**	**2 319 755**

31.12.2018

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 excercise price	Forfeited options	Remaining share options
Tranche I	1 197 541	27.13	26.06.2018	26.06.2023	26.06.2023	N/A	344 309				344 309
Tranche II	1 700 232	27.13	26.06.2018	26.06.2023	26.06.2023	N/A	344 309				344 309
Tranche III	2 103 315	27.13	26.06.2018	26.06.2023	26.06.2023	N/A	344 309				344 309
Total	**5 001 088**						**1 032 927**	**0**	**0**		**1 032 927**

Note 27 Compensation to the board and executive management

The Board of Directors	**2019**	2018
Gunnar Jacobsen, chairman of the board	50 771	31 251
Benjamin Røer (left the Board May 2019)	0	15 626
Beate Skjerven Nygårdshaug	25 386	15 626
Mark Ivin	25 386	15 626
Torun Anna Margareta Reinhammer	25 386	15 626
Total Board of Directors	**126 928**	93 754

Executive Management 2019	Salary	Pension contribution	Share based Payments	Other benefits	**Total**
Kristian Nesbak, CEO	130 632	4 911	0	27 021	162 564
Morten Lindeman, CIO	104 506	4 911	0	366	109 782
Udo Kersting, CSO	87 503	0	0	34 925	122 428
Björn Döhrer, CPO	96 260	0	0	34 400	130 660
Max Hofer, CFO	130 632	4 911	0	116 892	252 435
Total Executive Management	**549 533**	**14 732**	**0**	**213 603**	**777 868**

Executive Management 2018	Salary	Pension contribution	Share based Payments	Other benefits	**Total**
Kristian Nesbak, CEO	157 038	3 880		71 618	232 536
Morten Lindeman, CIO	125 630	3 880		31 251	160 762
Max Hofer, CFO	148 362	3 658		71 097	223 117
Total Executive Management	**431 030**	**11 418**	**0**	**173 966**	**616 414**

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 pay clauses in contracts of members of executive management team.

Björn Döhrer and Udo Kersting were members of the executive management for only a part of year.

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

Name		**Title**	**Number of Shares 2019**	**Number of Shares 2018**
Kristian Nesbak	Executive Management	CEO	5 340 000	4 233 334
Morten Alexander Lindeman	Executive Management	CIO	6 000 000	4 366 667
Max Hofer	Executive Management	CFO	166 666	100 000
Gunnar Jacobsen (Gujac Holding AS)	Board of Directors	Chairman	72 463	43 478
Mark Ivin	Board of Directors	Member	18 233	10 869
Beate Skjerven Nygårdshaug	Board of Directors	Member	7 291	4 347
Torun Reinhammar	Board of Directors	Member	834	450

Name		Number of share options 2019	Options granted	Options vested	Options Expired	Number of share options 2019
Kristian Nesbak	Executive Management		150 000			150 000
Morten Alexander Lindeman	Executive Management		150 000			150 000
Max Hofer	Executive Management	387 347	472 408	129 116		859 755
Udo Kersting	Executive Management		100 000			100 000
Bjørn Döhrer	Executive Management		200 000			200 000
Gunnar Jacobsen	Board of Directors					
Benjamin Jonathan Christoffer Røer	Board of Directors					
Mark Ivin	Board of Directors					
Beate Skjerven Nygårdshaug	Board of Directors					
Torun Reinhammar	Board of Directors					

Name		Number of share options 2018	Options granted	Options vested	Options Expired	Number of share options 2018
Kristian Nesbak	Executive Management					
Morten Alexander Lindeman	Executive Management					
Max Hofer	Executive Management		387 347			387 347
Gunnar Jacobsen	Board of Directors					
Benjamin Jonathan Christoffer Røer	Board of Directors					
Mark Ivin	Board of Directors					
Beate Skjerven Nygårdshaug	Board of Directors					
Torun Reinhammar	Board of Directors					

Note 28 Investments in subsidiaries

31.12.2019

Company	Date of acquisition	Consolidated (yes/no)	Registered office	Voting share	Ownership share
Infront Sweden AB	14.03.2007	yes	Stockholm	100 %	100 %
AB Nyhetsbyrån Direkt	01.12.2008	yes	Stockholm	100 %	100 %
CatalystOne AS	30.10.2009	yes	Oslo	100 %	100 %
Infront Analytics SAS	04.06.2012	yes	Paris	100 %	100 %
Infront Financial Information Ltd	03.07.2015	yes	London	100 %	100 %
TDN Direkt AS	22.04.2016	yes	Oslo	100 %	100 %
Infront South Africa (Pty) Ltd	05.10.2016	yes	Johannesburg	100 %	100 %
Infront Data AB	07.03.2017	yes	Stockholm	100 %	100 %
Infront Finland OY	28.09.2017	yes	Helsinki	100 %	100 %
Infront Italia S.r.l.	29.11.2018	yes	Milan	100 %	100 %
vwd Holding GmbH	30.04.2019	yes	Frankfurt/Main	100 %	100 %
vwd Group GmbH	17.07.2019	yes	Frankfurt/Main	100 %	100 %
Infront Financial Technology GmbH	17.07.2019	yes	Frankfurt/Main	100 %	100 %
vwd group Switzerland AG	17.07.2019	yes	Zurich	100 %	100 %
vwd group Italia S.r.l.	17.07.2019	yes	Milan	100 %	100 %
vwd TransactionSolutions AG	17.07.2019	yes	Frankfurt/Main	60 %	60 %
vwd group Netherlands B.V.	17.07.2019	yes	Amsterdam	100 %	100 %
vwd PortfolioNet Service AG	17.07.2019	yes	Zurich	100 %	100 %
Infront Quant AG	17.07.2019	yes	Frankfurt/Main	100 %	100 %
Lenz+Partner GmbH	17.07.2019	yes	Dortmund	100 %	100 %
Infront Financial Technology S.à r.l.	17.07.2019	yes	Luxembourg	100 %	100 %
vwd group Belgium NV	17.07.2019	yes	Antwerpen	100 %	100 %

31.12.2018

Company	Date of acquisition	Consolidated (yes/no)	Registered office	Voting share	Ownership share
Infront Sweden AB	14.03.2007	yes	Stockholm	100 %	100 %
Nyhetsbyrån Direkt AB	01.12.2008	yes	Stockholm	100 %	100 %
CatalystOne AS	30.10.2009	yes	Oslo	100 %	100 %
Infront Analytics SAS	04.06.2012	yes	Paris	100 %	100 %
Infront Financial Information Ltd	03.07.2015	yes	London	100 %	100 %
TDN Finans AS	22.04.2016	yes	Oslo	100 %	100 %
Infront SA (Pty) Ltd	05.10.2016	yes	Johannesburg	100 %	100 %
Infront Data AB	07.03.2017	yes	Stockholm	100 %	100 %
Infront Finland OY	28.09.2017	yes	Helsinki	100 %	100 %
Infront Italia SRL	29.11.2018	yes	Milan	100 %	100 %

Note 29 Contingencies and legal claims

The Group has not been involved in any legal or financial disputes in 2019, where an adverse outcome is considered more likely than remote.

Note 30 Events after the reporting period

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

In the first quarter of 2020 the world has been significantly hit by the effects of the COVID-19 outbreak. The short-term and long-term consequences for the markets where Infront operates and the global economy in general, remain highly uncertain. The management's assessment of the impact involves making judgements, as of the date of this annual report, about inherently uncertain future conditions. Infront has determined that the effects of the COVID-19 outbreak are the result of events that arose after the reporting date, that may require disclosure in the financial statements, but does not affect the amounts recognized in the balance sheet of these financial statements.

The first and most important part of the Groups' response to COVID-19 has been to ensure the health of employees and to safeguard operational stability through a period of heighten market activity. Furthermore, the Group has performed a risk assessment with regards to COVID -19 covering the following areas:

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

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

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.

PARENT COMPANY ANNUAL ACCOUNTS REPORT 2019

Income statement

(EUR 1000)	Note	**2019**	2018
Operating income and expenses			
Revenue	1	19 833	19 650
Total operating revenue		**19 833**	**19 650**
Raw materials and consumables used		13 305	11 625
Payroll expenses	2	4 622	3 690
Depreciation and amortization	3, 4	1 779	1 832
Other operating expenses	2, 12	4 661	2 194
Total operating expenses		**24 367**	**19 341**
Operating profit		**-4 533**	**309**
Financial income and expenses			
Income from subsidiaries and other Group entities	9	645	1 723
Interest income from Group entities	9	2 182	94
Other interest income	9	27	36
Other financial income	9	4 175	539
Interest expense to Group entities	9	112	97
Other Interest expenses	9	4 372	125
Other financial expenses	9	6 240	757
Financial income/(expenses) - net		**-3 694**	**1 413**
Profit before tax		**-8 228**	**1 722**
Tax on ordinary result	5	1 825	82
Profit for the year		**-6 402**	**1 640**
Allocated to dividend			
Allocated to other equity	6	6 402	1 640
Transferred from other equity			-
Net brought forward		**- 6 402**	**-1 640**

Consolidated statement of financial position

(EUR 1000)	Note	**2019**	2018
ASSETS			
Non-current assets			
Intangible assets			
Research and development	4	1 334	1 285
Customer contracts	4	3 304	3 770
Deferred tax asset	5	2 425	263
Total intangible assets		**7 063**	**5 318**
Tangible fixed assets			
Buildings and land	3	147	88
Equipment and other movables	3	90	53
Total tangible fixed assets		**238**	**141**
Financial assets			
Investments in subsidiaries	8	88 078	6 857
Loan to group companies	8	55 285	7 500
Total financial assets		**143 364**	**14 357**
Total non-current assets		**150 665**	**19 817**
Current assets			
Receivables			
Accounts receivables	8	452	1 082
Other receivables	8	23	9 703
Current receivables group companies	8	11 644	-
Total debtors		**12 119**	**10 785**
Cash and bank deposits	10	4 559	4 108
Total current assets		**16 678**	**14 892**
TOTAL ASSETS		**167 342**	**34 709**

EQUITY AND LIABILITIES			
Equity			
Share capital	6	458	261
Share premium reserve		34 883	10 068
Other paid-in equity		-521	100
Total restricted equity	**6**	**34 820**	**10 429**
Retained earnings			
Other equity		-1 007	5 868
Total retained earnings		**-1 007**	**5 868**
Total equity	**6**	**33 813**	**16 297**
Liabilities			
Non-current liabilities			
Liabilities to financial institutions	11	101 757	5 300
Other non-current liabilities		1 985	4 006
Total of other long-term liabilities		**103 742**	**9 306**
Current liabilities			
Trade creditors	8	6 218	1 408
Public duties payable		0	352
Current payables group companies	8	12 433	0
Other current liabilities		11 137	7 346
Total current liabilities		**29 788**	**9 106**
Total liabilities		**133 529**	**18 412**
TOTAL EQUITY AND LIABILITIES		**167 342**	**34 709**

Oslo, 15 April 2020

The Board of Directors of Infront ASA

Gunnar Jacobsen
Chairman of the Board

Kristian Nesbak
CEO

Mark Ivin
Member of the Board

Beate Skjerven Nygårdshaug
Member of the Board

Torun Reinhammar
Member of the Board

Consolidated statement of cash flows

(EUR 1000)	**2019**	2018
Profit before tax	-8 228	1 722
Adjustments for		
Taxes paid		140
Depreciation, amortization and net impairment losses	1 779	1 832
Dividend/Group Contribution	400	-1 723
Interest expense	1 762	0
Interest expense	-20	0
Change in accounts receivables	-1 219	1 918
Change in accounts payables	0	161
Change in other accruals	0	-3 951
Change in deferred revenue	-72	0
Change in trade and other payables	3 400	0
Net cash inflow (outflow) from operating activities	**-2 198**	**98**
Cash flows from investing activities		
Payment for acquisition of subsidiary	- 130 663	-620
Payment for PP& and intangibles	-2 120	-1 106
Cash flow from other investing activities	0	1 688
Net cash inflow (outflow) from investing activities	**-132 783**	**-38**
Cash flows from financing activities		
Dividends	0	-1 083
Net proceeds from issuance of ordinary shares	23 424	0
Proceeds from borrowings	10 000	6 110
Repayments of borrowings	-5 819	- 682
Net proceeds from bond issue	102 256	0
Repayments of lease liabilities	-606	0
Issuing loan to subsidiaries	0	-9 103
Net proceeds cash pool	7 799	0
Interest expense	-1 762	0
Interest income	20	0
Net cash (outflow) from financing activities	**135 313**	**-4 758**
Net increase/(decrease) in cash and cash equivalents	332	-4 698
Cash and cash equivalents 1. January	4 180	8 805
Effects of exchange rate changes cash	47	199999999999999990
Cash and cash equivalents 31. December	**4 559**	**4 108**

Notes

Accounting principles

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

Revenue recognition

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

Current assets and liabilities

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

Tangible assets

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

Intangible assets

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 labor 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

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

Foreign currency

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

Receivables

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

Leasing agreements

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

Taxes

The income tax expense is comprised of both tax payable (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 currency

The functional currency of Infront ASA is NOK and the NOK amounts has been translated to EUR using the NOK-EUR exchange rate at 31 December 2019 (0.101381) for the balance and the average 2019 exchange rate (0.101202) for Profit and Loss items.

Note 1 Revenue

Revenues according to market segments	**2019**	2018
(EUR 1000)		
Norway		
Subscription based revenues*	4 789	4,581
Subscription based revenues (once-off)	33	16
Total subscription- based revenues*	**4 822**	**4 597**
Other revenue	26	0
Total	**4 848**	**4 597**
Abroad		
Subscription based revenues*	14 971	14 994
Subscription based revenues (once-off)	14	59
Total subscription-based revenues*	**14 985**	**15 053**
Other revenue	0	0
Total	**14 985**	**15 053**
Total revenues	**19 833**	**19 650**

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

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

(EUR 1000)	**2019**	2018
Wages and salaries	3 542	2 605
Social security	756	565
Pension expenses	158	99
Other benefits	165	420
Total	**4 622**	3 690

As of 31 December the Company has a total of 56 (48) employees and performed 56 (45) man-labour year.

The Company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("Lov om obligatorisk tjenestepensjon"). The Company's pension scheme meets the requirements of this law. The pension scheme is a defined contribution plan. Funded pension liabilities relating to insured plans are not recorded in the balance sheet. The premium paid for 2019, EUR 159 thousand (EUR 99 thousand in 2018), 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:

(EUR 1000)	**2019**	2018
Statutory audit fee	111	17
Consultancy work (annual accounts, tax assessment, reports etc.)	28	7
Total auditor's fee	**139**	**24**

Share options

Please refer to Note 26 and 27 in the Group's disclosures.

Note 3 Tangible assets

2019 (EUR 1000)	Equipment and other movables	Buildings and land	Total
Acquisition cost 01.01.2019	782	89	870
Additions	68	77	146
Acquisition cost per 31.12.2019	**850**	**166**	**1 017**
Accumulated depreciations per 01.01.2019	729	0	729
+ Depreciations for the year	31	19	50
Accumulated depreciations per 31.12.2019	**760**	**19**	**779**
Net value 31.12.2019	**90**	**147**	**238**

2018 (EUR 1000)	Equipment and other movables	Buildings and land	Total
Acquisition cost per 01.01.2018	765	0	765
Additions	17	88	105
Acquisition cost per 31.12.2018	**782**	**88**	**870**
	0	0	0
Accumulated depreciations per 01.01.2018	688	0	688
+ Depreciations for the year	41	0	41
Accumulated depreciations per 31.12.2018	**729**	**0**	**729**
Net value 31.12.2018	**53**	**88**	**141**

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

Note 4 Intangible assets

2019 (EUR 1000)	**Research & Development**	**Customer contracts**	**Total**
Acquisition cost 01.01.2019	7 672	4 832	12 503
Additions	1 272	0	1 272
Acquisition cost per 31.12.2019	**8 943**	**4 832**	**13 775**
Accumulated depreciations per 01.01.2019	6 376	1 029	7 405
+ Depreciations for the year	1 234	498	1 732
Accumulated depreciations per 31.12.2019	**7 609**	**1 528**	**9 137**
Net value 31.12.2019	**1 334**	**3 304**	**4 638**
Economic life	3 years	10 years	
Depreciation plan	Linear	Linear	

2018 (EUR 1000)	**Research & Development**	**Customer contracts**	**Total**
Acquisition cost 01.01.2018	6 762	4 799	11 561
Additions	942	0	942
Acquisition cost per 31.12.2018	**7 703**	**4 799**	**12 503**
Accumulated depreciations per 01.01.2018	5 186	535	5 722
+ Depreciations for the year	1 232	494	1 727
Accumulated depreciations per 31.12.2018	**6 419**	**1 029**	**7 448**
Net value 31.12.2018	**1 285**	**3 770**	**5 055**
Economic life	3 years	10 years	
Depreciation plan	Linear	Linear	

Note 5 Tax

This year's tax expense (EUR 1000)	**2019**	2018
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax advantage	1 825	82
Tax expense on ordinary profit/loss	**1 825**	**82**
Taxable income:		
Ordinary profit/loss before tax	-8 228	1,722
Permanent differences	-1 571	-1,441
Changes temporary differences	-3 206	-4
Allocation of loss to be brought forward	0	-277
Taxable income	**0**	**0**
Payable tax in the balance:		
Payable tax on this year’s result	0	-67
Payable tax on received Group contribution	0	67
Total payable tax in the balance	**0**	**0**
Calculation of effective tax rate:		
Profit before tax	-8 228	1,722
Calculated tax on profit before tax	-1 810	396
Tax effect of permanent differences	-15	-332
Effect of change in tax rate	0	12
Total	**-1 825**	**77**
Effective tax rate	22.2%	4.5%

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:

This year's tax expense (EUR 1000)	**2019**	**2018**	**Difference**
Tangible assets	-802	-792	-10
Accounts receivable	-10	-10	0
Non-current financial liabilities	3 243		-3 243
Total	**2 431**	**-802**	**-3 233**
Accumulated loss to be brought forward	-13 672	-719	12 953
Not included in the deferred tax calculation	217	282	65
Basis for calculation of deferred tax	-11 023	-1 239	9 783
Deferred tax assets (21%)	**-2 425**	**-274**	**2 150**
Effect of change in tax rate		12	

Note 6 Equity

2018 (EUR 1000)	Share capital	Own shares	Share premium	Paid-up equity	Capital increase – not registered	Translation differences	Other equity	Total
Equity 01.01.2018	279		11 273	-521		-246	4 339	15 124
Issue of share capital								
Transferred from other equity*							-228	-228
Share Option program**							104	104
Translation differences						-342		
Profit for the period							1 640	1 640
Dividend								
Equity 31.12.2018	**279**		**11 273**	**-521**		**-588**	**5 854**	**16 297**

2019 (EUR 1000)	Share capital	Own shares	Share premium	Paid-up equity	Capital increase – not registered	Translation differences	Other equity	Total
Equity 01.01.2019	279		11 273	-521		-588	5 854	16 297
Transferred from other equity								
Share Option program							216	216
Translation differences						-283		-283
Profit for the period							-6 402	-6 402
Share issue not registered					195			195
Share issue 28 June 2019	179		23 610					23 789
Equity 31.12.2019	**458**		**34 883**	**-521**	**195**	**-871**	**-332**	**33 813**

Note 7 Share capital and shareholder information

Please refer to Note 21 in the Group's disclosure.

Note 8 Investments in subsidiaries

Company (EUR 1000)	Registered office	Ownership Share	Date of acquisition	Historical cost	Book value
Infront Sweden AB	Stockholm	100%	28.09.07	8 654	8 654
Nyhetsbyrån Direkt AB	Stockholm	100%	30.10.08	1 609 845	1 609 845
Infront Finland Oy	Helsinki	100%	28.09.17	2 366	2 366
CatalystOne AS	Oslo	100%	30.10.09	0	0
Infront Analytics SAS	Paris	100%	04.05.12	1 940 164	1 940 164
Infront Financial Information Ltd	London	100%	03.07.15	1	1
TDN Finans AS	Oslo	100%	01.05.16	1 906 835	1 906 835
Infront South Africa Ltd	Johannesburg	100%	30.06.16	6	6
Infront Data AB	Stockholm	100%	07.03.17	1 513 599	1 513 599
Infront Italia S.R.L.	Milan	100%	29.11.18	15 230	15 230
vwd Holding GmbH	Frankfurt/Main	100%	17.07.19	81 081 615	81 081 615

Company (EUR 1000)	Result	Equity 31 December
Infront Sweden AB	505	458
Nyhetsbyrån Direkt AB	904	2582
Infront Finland Oy	68	-58
CatalystOne AS	50	62
Infront Analytics SAS	780	2 376
Infront Financial Information Ltd	37	-687
TDN Finans AS	419	537
Infront South Africa Ltd	-55	-462
Infront Data AB	-318	104
Infront Italia S.R.L	-227	-687
vwd Holding GmbH*	-1 005	81 390

* The 2019 result for vwd Holding GmbH reflected the period 17 July 2019 to 31 December 2019 since incorporation.

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

(EUR 1000)	**2019**	2018
Trade Receivables	4 624	215
Other Receivables	5 988	9 578
Other long-term receivables	55 285	7 500
Other short-term liabilities	1 816	3 875
Trade payables	519	525
Long term debt	2 306	1 227

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.

On the 17 July 2019 the Group completed its acquisition of the vwd Group. The acquisition was made by vwd Holding GmbH, a wholly owned German subsidiary of Infront ASA, and guaranteed by Infront ASA. Please refer to Note 5 in the Group's disclosures for details on the transaction.

The most significant transactions are as follows:

31.12.2019 (EUR 1000)		**Sales to related parties**	**Purchases from related parties**
TDN Finans AS	Norway	0	572
Infront Sweden AB	Sweden	8 834	0
Nyhetsbyrån Direkt AB	Sweden	21	1 891
Infront Data AB	Sweden	0	264
Infront Finland Oy	Finland	1 078	0
Infront Italia SRL	Italy	439	0
Infront Analytics SAS	France	0	926
		10 372	3 653

31.12.2018 (EUR 1000)		**Sales to related parties**	**Purchases from related parties**
TDN Finans AS	Norway	0	484
Infront Sweden AB	Sweden	9 309	0
Nyhetsbyrån Direkt AB	Sweden	21	2 056
Infront Data AB	Sweden	0	35
Infront Analytics SAS	France	0	900
		9 330	3 476

Note 9 Financial items

Financial Income (EUR 1000)	**2019**	**2018**
Interest income	27	36
Interest income from subsidiaries	2 182	94
Share of profit from subsidiaries	645	1 723
Profit on foreign exchange	4 176	540
Total financial income	**7 030**	2 392

Financial expense (EUR 1000)	**2019**	**2018**
Interest expense	4 372	125
Amortization interest expense	523	0
Interest expense subsidiaries	112	97
Other financial expenses	65	74
Loss on foreign exchange	5 651	683
Total financial expense	**10 724**	979

Note 10 Bank deposits

(EUR 1000)	**2019**	2018
Employees tax deduction, deposited in a separate bank account	188	41
Other bank deposits and cash	-3 429	4 067
Total bank deposit and cash	-3 241	4 108
Cash pool	7 799	0
Total liquid assets	**4 559**	4 108

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

Most companies in the Infront Group are participants in a group account where the parent company Infront ASA is the main account holder. All participants are jointly and severally liable for any outstanding balance on the Group account.

Note 11 Debt to financial institutions

All external financing and borrowings in the Infront group is held by the parent company Infront ASA. The financing consists of a 105 MEUR bond issued in May 2019 and a Revolving Credit Facility amounting to 10 MEUR with Danske Bank. Please refer to Note 22 in the Group’s disclosure for the details.

Note 12 Rental agreements and leasing

The Group as lessee – financial lease agreements

The Group has no financial lease agreements.

The Group as lessee – operating lease agreements

The Group has entered into several different operating lease agreements for machines, offices and other facilities. The majority of these agreements includes a warrant for renewal at the end of the agreement period.

Some lease agreements have contingent payments which consist of a certain percentage of a future sale of the asset. The lease agreement has no restrictions on the Company's dividend policy or financing options.

The lease cost consists of:

(EUR 1000)	**2019**	2018
Ordinary lease payments	300	424
Contingent remuneration	0	0
Remuneration from subleases	-51	76
Total	**249**	**499**

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

(EUR 1000)	**2019**	2018
Within 1 year	357	355
1 to 5 years	818	1 774
After 5 years	0	710
Total	**1 176**	**2 838**

Note 13 Events after the reporting period

Please refer to Note 30 in the Group's disclosures.

Alternative Performance Measures and certain terms used

The Group's financial information in this 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 recurring operating revenue from the Group's subscription-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. 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 report see the table below.

The following definitions and glossary apply in this 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
IPO	Initial public offering
M&A	Mergers and acquisitions
MiFID II	Directive 2014/65/EU

Infront ASA

The Board of Directors' declaration on determination of salaries and other remuneration for senior management 2019

1. General

This declaration is prepared by the Board of Directors in Infront ASA ("**Infront**" or the "**Company**") in accordance with the Norwegian Public Limited Liability Companies Act (the "**Companies Act**") section 6-16a, for consideration at the annual general meeting on 17 June 2020.

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

The principles set out for determination of salaries and other remuneration for the senior management in this declaration shall apply for the financial year 2019 and until new principles are resolved by the general meeting in accordance with the Companies Act. The annual general meeting in 2020 will review how the principles set out in this declaration have been complied with in 2019 and deal with the principles for 2020 in accordance with the Companies Act.

2. Main principles

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

2.1 Remuneration shall be competitive, but not leading

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

2.2 Remuneration shall be motivational

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

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

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

2.3 Remuneration shall be comprehendible and acceptable both internally and externally
The remuneration system shall not be unduly difficult to explain to the general public and should not involve disproportional complexity for the administration.

2.4 Remuneration shall be flexible, allowing adjustments over time
To be able to offer competitive remuneration the Company must have a flexible system that can accommodate changes as Company and the markets evolve.

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

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

3.1 Additional benefits

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

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

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

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

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

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

3.1.6 Other benefits

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

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

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

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

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

4. Remuneration to senior managers in other Infront companies

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

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

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

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

Oslo, 15 April 2020

The Board of Directors of Infront ASA

Gunnar Jacobsen
Chairman of the Board

Kristian Nesbak
CEO

Mark Ivin
Member of the Board

Beate Skjerven Nygårdshaug
Member of the Board

Torun Reinhammar
Member of the Board

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

Independent Auditor's Report

To the General Meeting in Infront ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infront ASA.

The financial statements comprise:	In our opinion:
• The financial statements of the parent company, which comprise the balance sheet as at 31 December 2019, income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and • The financial statements of the group, which comprise the balance sheet as at 31 December 2019, the income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.	• The financial statements are prepared in accordance with the law and regulations. • The accompanying financial statements give a true and fair view of the financial position of Infront ASA as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. • The accompanying financial statements give a true and fair view of the financial position of the group Infront ASA as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 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.

Description of key audit matter	**How the key audit matter was addressed in the audit**
IMPAIRMENT OF INTANGIBLE ASSETS	
Under IFRS, the Group is required to test the carrying value of intangible assets with an indefinite useful life for impairment annually by comparing its carrying amount with its recoverable amount. Carrying amounts of goodwill and other intangible assets resulting from the Group's acquisitions of subsidiaries, constitute the greater part of the assets in the Group's statement of financial position. As at 31 December 2019, goodwill and other intangible assets amounting to EUR 174 million, represents 76 % of total assets. Management performs an annual goodwill impairment test by estimating the recoverable amount of goodwill. The determination of recoverable amount requires application of significant judgment by management, in particular with respect to cash flow forecast and the applied discount rate. Due to the materiality, complexity and estimation uncertainty concerning goodwill, we consider impairment of goodwill a key audit matter in the audit of the Group. See notes 14 and 15 in the consolidated financial statements.	Our audit procedures have included a detailed review of management's impairment test for each business unit to which intangible assets are allocated. We have also assessed management's assumptions underlying the valuation and taken into account management's historical accuracy in determining the estimates. Internal specialists have assisted us in this process. We have also considered the assumptions described in note 15 and assessed the adequacy of the information provided in the notes against the requirements of IAS 36.
ACQUISITION OF VWD GROUP GmbH	
On 17 July 2019, the Group acquired a 100 % interest in vwd Group GmbH for a purchase price of EUR 130.6 million on an enterprise value basis. Acquisitions of subsidiaries are accounted for using the purchase method. Hence, identifiable assets acquired and liabilities assumed are initially measured at fair value at the transaction date. Any consideration in	Our audit procedures included an evaluation of the key assumptions applied in the valuation model, such as revenue growth, EBITDA margin, churn rate and remaining useful life. We involved our internal valuation specialists to assist us with our assessment of the discount rates, expected inflation

excess of the net identifiable assets, is recorded as goodwill. In relation to the acquisitions, the Group has prepared provisional purchase price allocations. The purchase price allocation requires the application of significant judgment by management, in particular with respect to identification and valuation of intangible assets such as customer relations and technology. Due to the materiality, complexity and estimation uncertainty, we consider accounting for business combinations to constitute a key audit matter in the audit of the group. The Group's accounting policy regarding acquisitions is disclosed in note 5 to the consolidated financial statements.	rates, and the appropriateness of the methodology and valuation model used. In addition, we performed the following audit procedures: • we compared Sale and Purchase Agreement (SPA) and Purchase Price Allocation (PPA) with respect to consideration amounts • we focused on the opening balances and evaluated the related fair value adjustments. • we tested the mathematical accuracy of the calculations derived from the forecast mode Furthermore, we have evaluated the adequacy of the disclosures provided in the notes covering business combinations.

Other information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:
https://revisorforeningen.no/revisjonsberetninger

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

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

Oslo, 15 April 2020
BDO AS

Børre Skisland

Børre Skisland
State Authorised Public Accountant