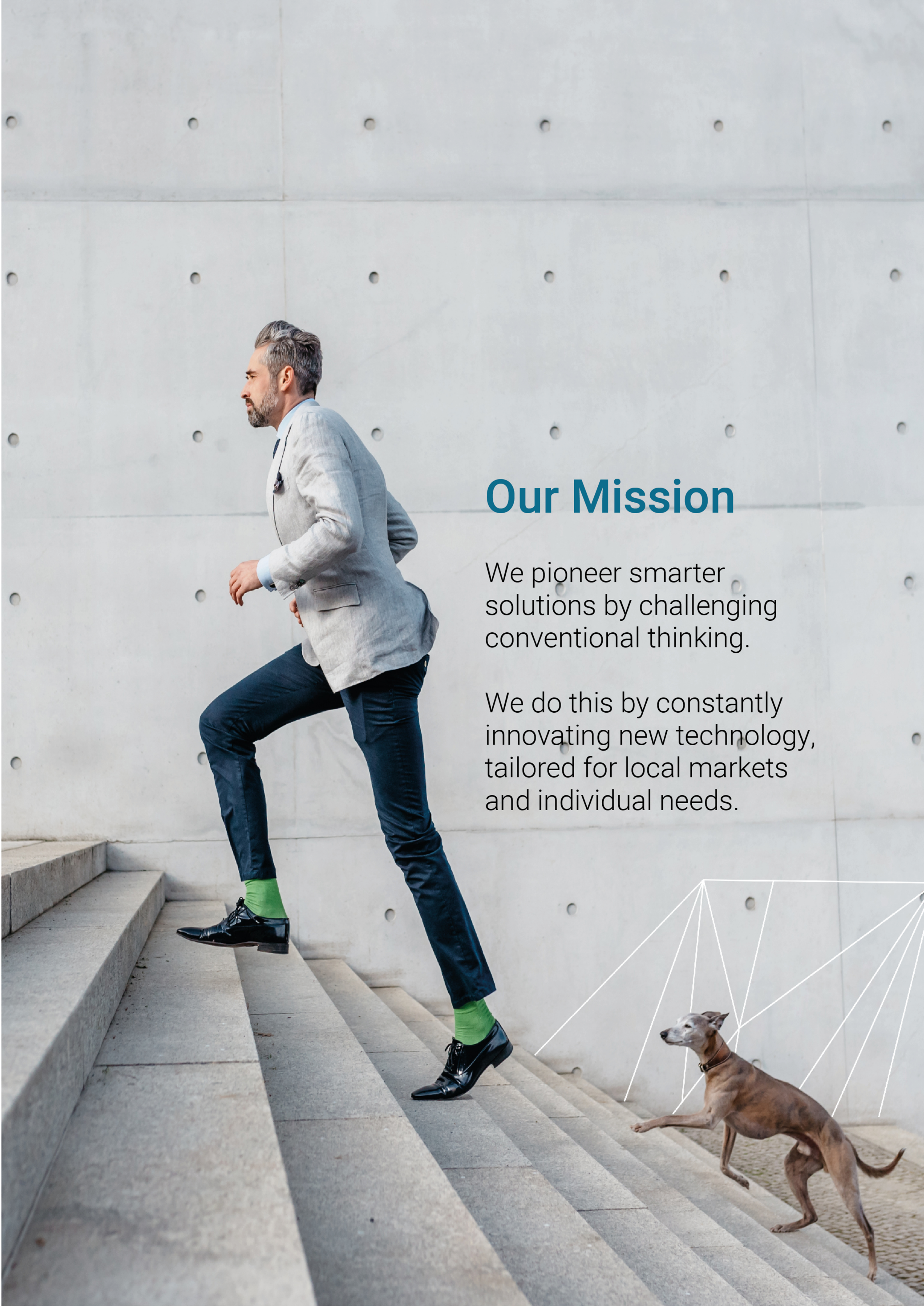
Infront

ANNUAL REPORT 2020



Our Mission

We pioneer smarter solutions by challenging conventional thinking.

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

Introduction

Challenging conventional thinking

At Infront we are always looking to make it easier for our customers to navigate financial data and make informed investment decisions. Ever since Infront was founded in 1998, challenging conventional thinking has been a driving force throughout our company.

We still think that finding the right data for making smarter investment decisions should be fast, easy and intuitive. Today, our solutions go beyond our flagship market data terminal to include flexible, integrated solutions for investment management and advisory, trading, sell-side and distribution, corporate IR, treasury and risk, and valuation and compliance. We also have web-based tools for digitizing customers' own investment offer to their private investor clients.

With the acquisitions of Market Connect (Italy), vwd Group (Germany) and most recently NBTrader (Great Britain), Infront is well-positioned for continued growth in Europe, with a clear value proposition to our clients. Forming the new Infront under one strong brand offers a fantastic opportunity to integrate all our products and solutions on one platform of services, all built to be modular and scalable to suit customer needs across the entire financial workflow. Bringing our employees' competence together across our numerous offices in Europe and South Africa, we can truly offer strong local market expertise. And we continue to build on transparency – in our pricing and modular solutions so clients pay only for the data and tools they actually need; and in the way we work, ensuring that our users get the support they require.

Infront at a glance

>500
employees

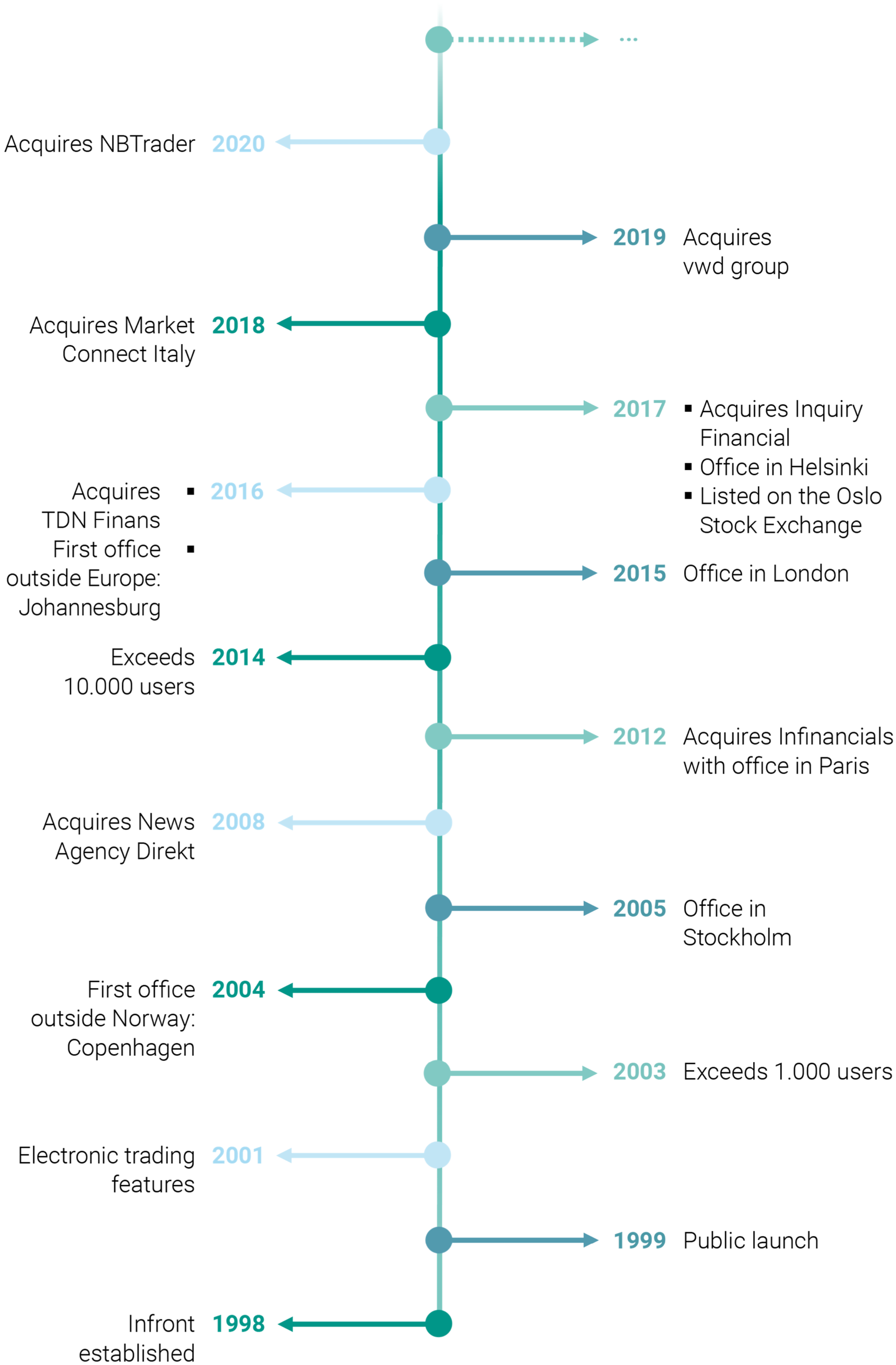
Established in **1998**
in the **Norway**

Located in
13 countries

Listed on the **Oslo**
Stock Exchange

More than **3,600**
customers

Revenue
€114.5 M


...
Acquires NBTrader 2020
2019 Acquires vwd group
Acquires Market Connect Italy 2018
2017
Acquires Inquiry Financial
Office in Helsinki
Listed on the Oslo Stock Exchange
2016
Acquires TDN Finans
First office outside Europe: Johannesburg
2015 Office in London
Exceeds 10.000 users 2014
2012 Acquires Infinancials with office in Paris
Acquires News Agency Direkt 2008
2005 Office in Stockholm
First office outside Norway: Copenhagen 2004
2003 Exceeds 1.000 users
Electronic trading features 2001
1999 Public launch
Infront established 1998

2020 in brief: Becoming one company

Kristian Nesbak | CEO

2020 was a year of integration for Infront. With the acquisitions of NBTrader in 2020, vwd Group in 2019 and Market Connect before that, our sights were set on becoming one company in every sense of the word, from a unified brand to bringing our products together onto one roadmap for the future. There is still work to be done, but we have achieved much. At the same time, serving our customers and driving business has continued to be our focus, as always.

In 2020, Group revenues increased by 52% to 114,5 million, while adjusted EBITDA increased by 8% to EUR 21,3 million. The positive development compared to 2019 was mainly due to the inclusion of vwd Group (acquired in July 2019) for the full year.

Before entering 2020, we knew that our primary focus for the next twelve months would be on integration activities, as well as realizing cost synergies. As we now enter a new calendar year, I am proud to announce that we have achieved more than 60% of our long-term cost-synergy target. When it comes to our group's combined product offering, we reached some important milestones in 2020 with several clients in the DACH-region now using the Infront Professional Terminal. We expect that product migration will pick up as we further adapt our solutions to our clients' needs, thereby enabling an efficient transition to our flagship products.

Working from home has been the new normal since the first lockdowns were imposed in March 2020. When the COVID-19 outbreak first started, none of us really knew what to expect. Today, we can look back and say that we managed to navigate through the storm without experiencing any significant setbacks. Despite the primary focus being on integration, and the negative effect of travel restrictions on several sales/marketing activities, our revenue (adjusted for the vwd Group acquisition) has remained stable year-on-year. This is a clear testament to the strong recognition our products and solutions have among our clients.

An end-to-end financial solutions provider

Our industry is going through constant changes and our clients need the best possible products and tools in order to succeed in a highly competitive environment.

By offering a modern combination of financial information, news, research, trading, advisory and regulatory tools (and much more), Infront is perfectly positioned to understand its customers' needs. Our broad offering is one of our key strengths and an important enabler for our clients throughout the value chain and across asset classes.

One united company with ambitious long-term growth targets

In the second half of 2020, Infront launched an important internal project. By using Objectives and Key Results (OKR) we encourage all our employees to set ambitious goals that in turn support the overall company strategic objectives. The initial phase of the OKR project has shown positive results, and management is impressed with how committed our employees are in contributing to the future success of Infront. Going forward, we will continue our product integration efforts. When the product integration work is completed, we will return to our high single-digit growth path, while also opportunistically pursuing several strategic initiatives.

Kristian Nesbak

Kristian Nesbak
CEO

TABLE OF CONTENTS

1 BOARD OF DIRECTORS REPORT

The year 2020 was always going to be a transitional one for Infront, with significant integration work on the agenda in the wake of the acquisition of vwd Group GmbH (vwd) in July 2019. This effort was certainly not facilitated by the COVID-19 outbreak. Since March 2020, travel between offices has been more-or-less impossible, and the same goes for having physical meetings with current and prospective clients. Despite the circumstances, Infront managed to realize a significant portion of the planned cost synergies between vwd Group and Infront. Looking back at the year, the company can be very proud of having maintained its gross revenues, after adjusting for the acquisition of vwd Group. Additionally, although integration was the main priority on the 2020 agenda, Infront made a smaller, yet strategically important acquisition in the United Kingdom. The acquisition of NBTrader enhances Infront's offering within trading solutions and will also enable the company to increase organic growth in one of its key markets.

Product migration to our preferred solutions has now started and will gain further traction in 2021. The front-end oriented phase of the integration project will be more demanding than the initial pure cost-savings phase. Many of the future workflows are inter-connected and several cost-savings will first be realized after customers have been moved from one solution to another. The second integration phase is thus key to position the company for high single-digit organic growth, following a period of aggressive M&A growth.

Financial markets are constantly evolving. In order to remain successful, Infront needs to be at the forefront of the latest changes and deliver outstanding value to its customers. An intuitive and user friendly front-end has always been one of the company's key strengths since its establishment in 1998 and will be key for the company's future success. At the same time, Infront will continuously seek to develop and offer the latest tools, as well as providing relevant and timely content to its customers, in order to help them make the right decisions.

On 15 December 2020, Inflexion Private Equity Partners LLP announced that it would offer to acquire all outstanding shares of Infront through a voluntary cash offer. The subsequent M&A process resulted in an offer price of NOK 40.00 per share on 1 March 2021. As of the publication date of the Annual Report, Inflexion Private Equity Partners LLP and associated entities control approximately 86% of the share capital of Infront. Subsequent to the completion of the Offer, which has passed the minimum acceptance level condition of the offer, Inflexion Private Equity Partners LLP intends to delist Infront from the Oslo Stock Exchange. Closing of the transaction is expected to take place in the second quarter 2021.

2 OPERATIONS

2.1 Corporate Overview

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

Approximately 500 employees in 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.

2.2 Products

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

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

2.3 Customers

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

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

2.4 Markets

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

2.5 Operational Review

Infront recently reorganized the operating segments so that they are in line with the group's six different product categories. The reclassification started in Q2 2020 and will be fully effective from 2021:

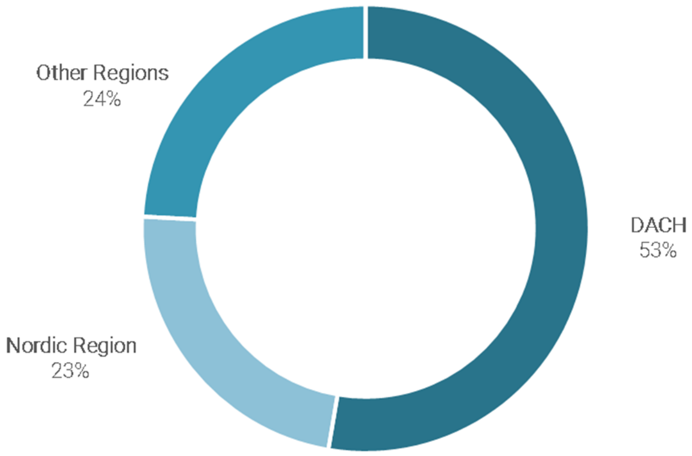
Terminal and Feed Solutions: Includes terminal and feed solutions for the entire group. The main products are comprised of the Infront Professional Terminal (IPT), data and feed solutions, electronic trading solutions, the Market Manager and the Investment Manager.

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

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

2.5.1 Revenue distribution per region

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



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

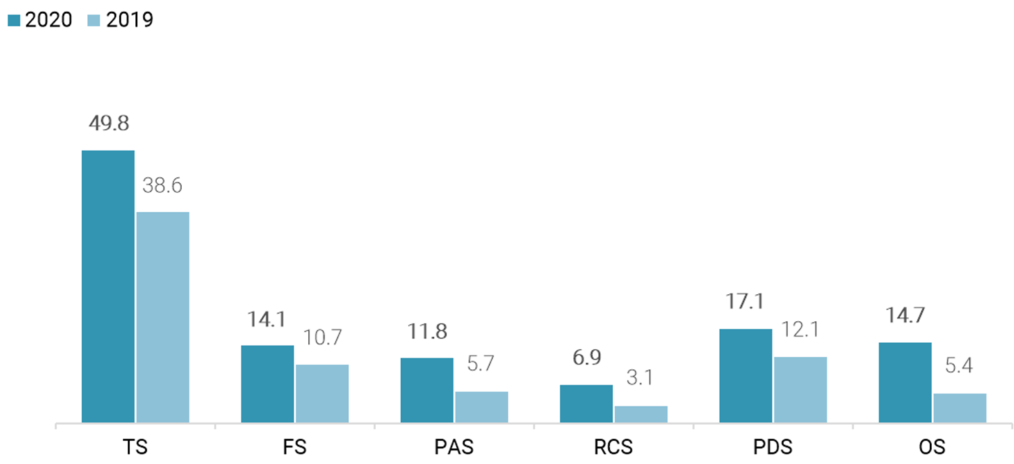
Nordic Region – includes markets and subsidiaries in Norway, Sweden, Finland and Denmark.

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

2.5.2 Revenue per product group

Infront categorizes its products into six groups: Terminal Solutions (TS), Feed Solutions (FS), Portfolio and Advisory Solutions (PAS), Regulatory and Calculation Solutions (RCS), Publication and Distribution Solutions (PDS) and Other Solutions (OS). See Note 6 for detailed segment information.

(EUR million)



2.5.3 Product Development

Following the acquisition of vwd Group, the Infront Professional Terminal (IPT) has benefited from additional content, notably proprietary data from brokers and within the fixed income area. Specific functionality includes the new debt maturity profile and curve charts as well as the addition of more market pages to search for instruments in the IPT. Infront is now also able to offer clients an Infront Fund Module for screening funds, KIID documents and metrics within Infront's proprietary fund data universe. In addition to this, the functionality for options has been further developed.

Development efforts for the Investment Manager during 2020 include the "Compass" module for client recommendations within a defined advisory universe. Asset-class specific PDF portraits were made available and custom client comments can now be used within the application, leveraging links between market and proprietary data. Other new features include powerful on-the-fly performance calculations, screening results directly in lists, as well as substantial enhancements to chart analysis. Infront has incorporated valuable user feedback thus far to provide clients with a better experience – both visually and functionally.

2020 also saw the continued integration of various analytics widgets. The backend architecture was improved for proprietary estimate data, which the entire company will be able to benefit from. Work on a new 'Aggregates' module was initiated in order to improve flexibility and performance for data-aggregate calculations. Additional Excel add-in functions were developed for flexible data extraction using array functionality.

Infront made significant progress in the UK market, with the newly acquired Retail Service Provider (RSP) trading proposition from NB Trader. Following the acquisition of NB Trader in Q4 2020, integration efforts have focused on connectivity between the Infront Connect trading gateway and NB Trader Order Management System. Improvements were also made to the Professional Terminal execution user interface, in order to adapt to RSP-specific requirements. The fall of 2020 also marked the release of FX trading capabilities to web- and mobile platforms, all of which are powered by the Infront Web Toolkit. The Web Trader and Infront Mobile provide off-the-shelf streaming market data and trading, while the Web Toolkit enables clients to develop their own solutions.

Following the acquisition of vwd Group, the vwd Portfolio Management System (Portfolio Manager) and Advisory Solution have become part of the group's product portfolio. Most of the developments are focused on preparing the transition from desktop and on-premise solutions to a cloud-based offering (PM SaaS) and to web technology. 2020 also saw the launch of a new product, Customer Account, allowing customers to offer a simple portfolio monitoring front-end to their private clients.

Finally, 2020 also saw the launch of a new regulatory feed product: Data Manager Regulatory. It is a brand new and fully-transparent "serviced feed" product designed to help clients with IFRS 9 / IAS 39 compliance challenges, regarding pricing valuation on liquid and illiquid financial products, market conformity checks and best execution. Rule sets can be individualized according to client needs, and the product shares the same front-end platform with Investment Manager, enabling users to benefit from market data display at the same time.

Infront's technical migration plan is to create one platform of products, modules and services, based on one data backbone. Over time, products will be available on that platform, ensuring the best user experience. The successful integration of products will allow Infront to keep delivering state-of-the-art solutions and focus development resources where best suited.

In some areas with significant overlap between two similar products targeting the same customer group, we have the ambitious goal to bring more capabilities and expertise into the best-in-class product, to serve our customers better and focus our resources on the product with the greatest potential and value for our customers.

2.6 Financial Summary

2.6.1 Group Profit and loss

Infront's operating revenue increased by 52% to EUR 114.5 million in 2020 (2019: EUR 75.5 million). The positive development compared to 2019 was mainly due to the inclusion of vwd Group (acquired in July 2019) for the full year. Total Operating expenses rose by 26% to EUR 95.1 million (2019: EUR 75.7 million). Operating expenses, adjusted for transaction related costs of EUR 2.0 million (2019: EUR 5.0 million, adjustment for transaction related costs), increased by 32% to EUR 93.1 million (2019: EUR 70.7 million). Infront reported an EBITDA of EUR 19.3 million (2019: EUR 8.3 million), an increase of 133% for the year. EBITDA adjusted for transaction-related costs (of EUR 2.0 million) amounted to EUR 21.3 million, up from adjusted EBITDA of EUR 11.7 million in 2019, before transaction related costs (of EUR 5.0 million) and other income (of EUR 1.6 million).

Loss before income taxes was EUR 1.0 million (2019: loss before income taxes EUR 9.1 million). Tax expense was EUR 2.4 million (2019: tax expense of EUR 1.6 million). Net Loss for the period was EUR 3.4 million (2019: net profit EUR 10.7 million). Loss per share was EUR -0.08 (2019: EUR -0.40).

2.6.2 Group Financial position

Total assets as of 31 December 2020 were EUR 220.4 million, compared to EUR 228.5 million at the end of December 2019.

The combined book value of Intangible assets and equipment and fixtures amounted to EUR 172.9 million compared to EUR 176.9 million at the end of December 2019. Right-of-use assets at the end of 2020 amounted to EUR 10.7 million. For detailed implementation of IFRS 16 refer to Note 25 Leasing in this report.

Trade and other receivables were EUR 12.0 million at the end of 2020, compared to EUR 12.5 million at the end of December 2019.

At the end of 2020 the cash position was EUR 18.4 million, compared to EUR 18.7 million at the end of 2019.

Total non-current liabilities at the end of 2020 were EUR 140.7 million, compared to EUR 144.7 million at the end of 2019.

Current liabilities at the end of 2020 were EUR 49.7 million, compared to EUR 52.5 million at the end of 2019.

2.6.3 Group cash flow

Net cash flow from operating activities was EUR 9.4 million in 2020 (EUR 5.0 million). Cash flow was negatively impacted by negative net working capital movements of EUR 1.6 million and positively impacted by non-cash charges of EUR 13.6 million.

Net cash flow from investing activities was negative at EUR 6.3 million (negative EUR 122.7 million). Investments per year-end 2020 were related to the acquisition of NB Trader with EUR 2.8 million, investments in IT equipment of EUR 1.0 million and investments in software developments of EUR 2.2 million.

Net cash flow from financing activities was negative at EUR 3.6 million (positive EUR 127.7 million). The financing cash flow reflects repayments of lease liabilities, SIX transaction-related payments of EUR 0.8 million and the dividend payment in one of Infront's subsidiary. For the previous year, 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 the repayment of other debt of EUR 5.7 million.

2.6.4 Infront ASA

Infront ASA (the parent company) is the operational entity responsible for the development, sales and maintenance of the Infront terminal and retail trading solutions products. Infront ASA's operating revenue increased by 24.8% to NOK 244.6 million in 2020 (2019: NOK 196.0 million).

Total Operating expenses rose by 8.1% to NOK 260.4 million (2019: NOK 240.8 million). Adjusted for M&A-related costs of NOK 7.6 million (2019: NOK 49.0 million), total operating expenses amounted to NOK 252.8 million (2019: NOK 191.8 million).

Infront ASA reported a loss before tax of NOK -76.7 million (2019: NOK -45.2 million), a decrease of NOK 31.5 million for the year. Loss before tax adjusted for M&A transaction related costs was NOK -69.1 million (2019: Profit before tax of NOK 3.8 million).

Net cash flow from operating activities in 2020 was NOK -128.7 million (2019: NOK -21.7 million). Net cash flow from investing activities was NOK -10.2 million in 2020 (2019: NOK -1,309.7 million). This reflected mainly investments related to the SIX transaction from 2016. Net cash flow from financing activities was positive at NOK 100.9 million (2019: positive NOK 1,335.1 million) and mainly reflected proceeds from loans to subsidiaries and cash pooling. Infront ASA's cash position at the end of 2020 was NOK 7.0 million (2019: NOK 45.0 million). The equity ratio of Infront ASA was 14.8% at the end of 2020 (2019: 20.2%).

2.7 Going Concern

In accordance with the Norwegian Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2021 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

2.8 Risk Factors

Infront is exposed to currency risk. Both revenue and operating expenses are subject to foreign exchange rate fluctuations, with EUR, SEK and NOK representing a significant part of revenues. However, the group has a built-in natural hedge from local offices where customers are billed in local currencies, and costs (salaries and data) are for a large part incurred in the same currencies. Infront did not enter into contracts or any other agreements to reduce its currency risk in 2020. For a foreign currency sensitivity test and more details refer to Note 21 Financial risk management.

2.8.1 Credit risk

The risk of losses on receivables is considered low. Refer to Note 21 Financial risk management for more details.

2.8.2 Liquidity risk

The Board of Directors considers Infront's liquidity to be solid. Refer to Note 21 Financial risk management for more details.

2.8.3 Competition

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

2.8.4 Data center risk

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

2.9 Dividend payment

Infront expects to create value for its shareholders by increasing group revenues and improving long-term profitability. Infront aims to generate a competitive return on invested capital relative to the underlying risks for its shareholders. The annual general meeting resolves the annual dividend, based on the proposal by the Board of Directors. The amount proposed sets an upper limit for the general meeting's resolution.

The Board proposes to refrain from paying a dividend to shareholders for 2020 due to the outstanding EUR 105 million bond, which was issued to finance the acquisition of vwd Group in 2019.

2.10 Future outlook

The Board of Directors is positive about Infront's long-term future. It also believes that the company's business model and organization makes it resilient to tackle potential turbulent times in 2021 and beyond.

Most of the cost synergies have been captured after the closing of the vwd transaction, while others will be realized during the remainder of 2021 and thereafter. In the long-term, the company's target remains to continue its growth path through a combination of organic and inorganic growth initiatives based on the company's strategy.

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.

The Board of Director would like to express our gratitude to the employees of Infront for their outstanding effort und contribution during a challenging 2020. The company is well positioned for the future, with a professional and engaged team moving forward in developing new and existing markets in partnership with our customers.

3 SUSTAINABILITY

3.1 Working towards a sustainable business

The success of our business and social responsibility are two inseparable corporate goals. The continuity of our business depends largely on our commitment to social responsibility and is based on our reputation as a trustworthy business partner.

3.2 Diversity, inclusion, and gender equality

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

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

Infront works continuously to improve the gender balance in the company. At the end of 2020, 25.3% (2019: 26%) of the staff were women. Out of 87 people with leadership responsibilities, 17 were women. For the Board of Directors, the distribution in 2020 was two women and three men.

In terms of diversity in age, our employees are spread across the entire scale of working ages. At the end of 2020, 5% of the employees were between 21 to 30 years of age, 28% were 31 to 40 years of age, 28% were 41 to 50 years of age, 30% were 51 to 60 years of age, 9% were 61 to 70 years of age.

3.3 Code of Conduct

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

Infront's stance as expressed in our Code of Conduct document is as follows:

- "Our experience and skills empower our customers to control complex and potentially risky processes reliably and efficiently, enabling them to play to their individual strengths.
- We offer consulting and information on all aspects of saving and investing. The solutions we deliver are always adequate — from standard software to the outsourcing of entire business processes.
- Our customers trust us because we consistently deliver high-quality products and services. They can rely on our know-how, commitment, and experience."

3.4 Health and Safety

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

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

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

3.5 Social Activities

Infront's contributions to our surrounding communities were mostly seen in Germany during the past year. In an aim to support the education and development of young scholars in the IT field, the company supports an initiative for IT students in Kaiserslautern, as well as sponsoring the "Deutschlandstipendium" for excellent students. Through the "Deutschlandstipendium" scholarship, initiated by the German ministry of education, Infront supports an outstanding student each year by funding his/her scholarship to the University of Kaiserslautern or the University of Darmstadt. Additionally, Infront IT departments in Frankfurt and Amsterdam have started open-source projects to share knowledge.

3.6 Environmental Sustainability

The nature of Infront's operations suggests a rather limited environmental impact. Nevertheless, the group wants to reduce its carbon footprint to a minimum.

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

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

- Four datacenters were consolidated into one central datacenter. During this consolidation, we invested in new and more energy-efficient hardware. The overall result is more computing-power per kWh.
- Infrastructure consolidation within the datacenters caused the overall hardware footprint to decrease.
- Virtualizing environments to make better use of the available computing power has resulted in a smaller hardware footprint.
- Migration and consolidation of (legacy) systems and applications have also resulted in a smaller hardware footprint.
- Certain workloads have been moved to the cloud (IaaS and PaaS), benefitting from flexible workloads, scaling down during night and weekends.
- More use of cloud SaaS solutions, like Office 365 as a shared cloud environment for collaboration to bring down Infront's infrastructure footprint by not needing to provide on-premise services for email, file sharing, telephony, Teams etc.

Environmentally sustainable behavior at each of the Infront offices is also strongly encouraged. Employees should attempt to protect natural resources in their work and ensure that Infront's business activities have the lowest possible impact on the environment through material savings, energy-saving planning and the reduction and recycling of waste.

When selecting suppliers, advertising materials or other external services, every employee should consider not only economic aspects but also ecological and social criteria. Continuous small improvements in our daily routines add up to significant results. Examples of these initiatives include switching to tap water in conference rooms instead of using bottled water and purchasing environmentally friendly promotional products.

In July 2020, a special initiative was started to support employees in Germany in a more sustainable method of transportation. In cooperation with Jobrad, Germany's leading bike leasing service, Infront leased bicycles for 36 months, also covering the insurance cost. Employees at our German offices can now choose a leasing bicycle at one of the over 5,000 partner shops across the country. The bicycles can be used for the ride to work, to visit a client, or to use in their spare time. The cooperation offers a great benefit to the German employees in terms of their work-life balance and a healthy lifestyle, while Infront also makes a further contribution to climate protection.

3.7 Technology, Data Protection & Compliance

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

4 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 is responsible for the IT Development organization. He also holds 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.

Chief Sales Officer, Udo Kersting

Udo Kersting is responsible for activities within 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.

5 BOARD OF DIRECTORS

Chairman of the Board, Gunnar Jacobsen

Gunnar Jacobsen became a board member of Infront in 2008 and Chairman in 2012. He is currently an investment director at Kistefos AS. He holds a Master of Science in Marketing and Management and a Master in Corporate Finance from the BI Norwegian School of Management. Prior to joining Kistefos in 2006, Gunnar was the CEO of BlueCom, a Norwegian telecommunications company. His previous experience includes senior project management in BlueCom, and business development activities at Telenor.

Board member, Edoardo Jacucci

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

Board member, Mark Ivin

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

Board member, Beate Skjerven Nygårdshaug

Beate Skjerven Nygårdshaug joined the board in 2017. She is currently General Counsel at Pexip ASA, a video communications provider, listed on the Oslo Stock Exchange. Most recently she was Legal Director of OSM Aviation Group. Previous to that she held the position as Legal Director of Kistefos AS for (8 years) and Legal Counsel for TDC Song (4 years). She has held several board positions in listed and non-listed companies, including Axactor and Mybank. She holds an executive MBA from IMD Switzerland, a Master of Law from University of Oslo, a Master of International law from San Francisco as well as an IEL program from Harvard University.

Board member, Bente Avnung Landsnes

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

6 STATEMENT BY THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The Board of Directors and the Chief Executive Officer have reviewed and approved the Board of Director's report and the financial statement for Infront as of 31 December 2020.

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 overall as of 31 December 2020. 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, 13 April 2021

Gunnar Jacobsen	Kristian Nesbak	Mark Ivin
Chairman of the Board	CEO	Member of the Board
Beate Skjerven Nygårdshaug	Bente Avnung Landsnes	Edoardo Jacucci
Member of the Board	Member of the Board	Member of the Board

7 CORPORATE GOVERNANCE

7.1 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, maximize value and utilize the Company's resources 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 has included 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 authorization 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 Innovation Officer of Infront is a member of the nomination committee. It is considered expedient and an advantage for the Company that Lindeman as a substantial shareholder with significant understanding of the Company's business and history is represented on the committee.

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

7.2 Business

Infront offers electronic trading solutions and real-time market data, news and analytics covering over eighty exchanges world-wide, as well as solutions for portfolio and advisory, regulatory and calculation, data and feeds, and publication and distribution. The Company has its main office in Oslo. The Company's business is defined in the following manner in the Company's articles of association section 3:

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

The Board of Directors has established objectives, strategies and a 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.

7.3 Equity and dividends

7.3.1 Equity

On 31 December 2020, the Company's consolidated equity was EUR 30.0 million, which was equivalent to 13.6% 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.

7.3.2 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 2020 due to the outstanding bond of EUR 105 million.

7.3.3 Share capital increases and issuance of shares

At the general meeting held on 17 June 2020, the Board of Directors was granted one authorization to increase the share capital of the Company by a maximum of up to NOK 868,507.50 related to business acquisitions. The authorization is valid until the Company's AGM in 2021 and will expire on 30 June 2021.

7.3.4 Purchase of own shares

At the general meeting held on 17 June 2020, the Board of Directors was granted an authorization to repurchase own shares for nominal value of up to NOK 434,253.90 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 authorization is valid until the Company's AGM meeting in 2021 and will expire on 30 June 2021.

7.4 Equal treatment of shareholders and transactions with close associates

7.4.1 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 authorization 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.

7.4.2 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 programs 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 programs, 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.

7.4.3 Transactions with close associates

The Board of Directors aims to ensure that any non-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 2020.

7.5 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.

7.6 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.

7.6.1 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.

7.6.2 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 can participate and vote at the general meetings of the Company.

The Board of Directors and the nomination committee shall, generally, 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.

7.7 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 were adopted by the general meeting on 19 April 2017. The general meeting also determines the committee remuneration.

The members of the nomination committee should be selected to consider the interests of shareholders in general. The majority 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.

On 31 December 2020, the nomination committee consisted of the following members: Morten Lindeman and Karl-Christian Agerup (chair). The members were elected by the general meeting with a term until the Company's AGM in 2021 and 2022, respectively.

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

7.8 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. On 31 December 2020, the Board of Directors consisted of the following five members: Gunnar Jacobsen (chair), Bente A. Landsnes, Mark Ivin, Beate Skjerven Nygårdshaug and Edoardo Jacucci. 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 does not include executive personnel.

The Company's annual report and the investor relations part of its website provide information to illustrate the expertise of the members of the Board of Directors.

Name	Role	Considered independent	Served since	Term expires	Participation Board Meetings 2021	Number of shares in Infront (direct/ indirect)
Gunnar Jacobsen	Chairman	Yes	2008	2021	100%	72 463
Bente A. Landsnes	Board member	Yes	2020	2022	100%	14 012
Mark Ivin	Board member	Yes	2017	2022	100%	18 233
Beate Skjerven Nygårdshaug	Board member	Yes	2017	2021	100%	7 291
Edoardo Jacucci	Board member	Yes	2020	2022	100%	0

7.9 The work of the Board of Directors

7.9.1 The rules of procedure for the Board of Directors

The Board of Directors is responsible for supervising the management of the Company's day-to-day business and the Company's activities in general. The Norwegian 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 procedure, 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.

7.9.2 Guidelines for directors and executive management

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

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

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

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

7.9.3 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 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. On 31 December 2020, 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 the extent to which services other than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

7.9.4 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. On 31 December 2020, 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.

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

7.11 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 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 to 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).

7.12 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 programs 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.

7.13 Information and communications

7.13.1 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, considering 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 website at the same time as it is sent to Oslo Børs and www.newsweb.no.

7.14 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 defense 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.

7.15 Auditor

The Company's external auditor is PricewaterhouseCoopers AS.

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

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

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

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

CONSOLIDATED GROUP ANNUAL ACCOUNTS REPORT 2020

Consolidated income statement for the year ended 31 December

(EUR 1 000)	Note	2020	2019
Revenues	6, 7	114 461	75 544
Total operating revenues		114 461	75 544
Cost of services rendered		37 907	26 753
Salary and personnel costs	8	44 264	24 412
Other operating expenses	9	12 976	16 040
Depreciation, amortisation and net impairment losses	13, 15, 25	13 143	8 505
Total operating expenses		108 290	75 710
Operating profit		6 171	- 166
Financial income/(expenses) - net	10	-7 192	-8 959
Profit before income tax		-1 021	-9 125
Income tax (expense)/income	11	-2 416	-1 605
Profit for the period		-3 437	-10 729
Profit is attributable to:			
Owners of Infront ASA		-4 315	-10 729
Non-controlling interests		878	-
		-3 437	-10 729
Earnings per share			
Basic and diluted earnings per share	12	-0.08	-0.40
Average number of shares		43 425 390	32 738 041
Number of shares at the end of reporting date		43 425 390	43 329 760

Statement of comprehensive income for the year ended 31 December

(EUR 1 000)	Note	2020	2019
Profit for the period		-3 437	-10 729
Other comprehensive income			
Items not to be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit pension liabilities	19	978	-1 346
Income tax relating to remeasurements of defined benefit pension liabilities	11	- 221	345
Items to be reclassified subsequently to profit or loss			
Hedges of net assets in foreign operation	21	-3 476	-
Income tax relating to hedges of net assets in foreign operations	11	765	-
Exchange differences on translation of foreign operations		3 334	1 427
Other comprehensive income for the period		1 380	426
Total comprehensive income for the period		-2 057	-10 303
Total comprehensive income is attributable to:			
Owners of Infront ASA		-2 935	-10 303
Non-controlling interests		878	-

Consolidated statement of financial position as of 31 December

(EUR 1 000)	Note	2020	2019
ASSETS			
Non-current assets			
Equipment and fixtures	15	2 707	2 947
Right-of-use assets	25	10 700	13 671
Intangible assets	13	170 209	173 987
Deferred tax asset	11	5 456	5 790
Other non-current assets	16	921	838
Total non-current assets		189 993	197 234
Current assets			
Trade receivables	17, 22	8 168	9 241
Other current assets	16, 22	3 825	3 292
Cash and cash equivalents	18, 22	18 419	18 703
Total current assets		30 412	31 236
TOTAL ASSETS		220 405	228 470

(EUR 1 000)	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Share capital	24	459	458
Share premium		35 076	34 883
Share option program	26	873	317
Other equity		-9 991	-6 985
Total equity attributable to owners of the parent		26 417	28 673
Non-controlling interests		3 585	2 686
Total equity		30 002	31 359
Non-current liabilities			
Non-current borrowings	21, 23	102 627	101 757
Non-current lease liabilities	25	9 116	11 283
Other non-current financial liabilities	20, 22	1 362	2 095
Pension liabilities	19	7 711	8 659
Deferred tax liabilities	11	18 845	20 068
Other non-current liabilities	20	1 049	800
Total non-current liabilities		140 710	144 661
Current liabilities			
Current borrowings	21, 23	10 000	10 000
Current lease liabilities	25	2 009	2 643
Other current financial liabilities	20, 22	845	1 024
Income tax payables	11	4 444	2 399
Trade payables	20	12 901	16 408
Other current payables	20	14 730	15 216
Deferred revenue	7	4 764	4 759
Total Current liabilities		49 693	52 450
Total liabilities		190 403	197 111
TOTAL EQUITY AND LIABILITIES		220 405	228 470

Oslo, 13 April 2021

Gunnar Jacobsen	Kristian Nesbak	Mark Ivin
Chairman of the Board	CEO	Member of the Board
Beate Skjerven Nygårdshaug	Bente Avnung Landsnes	Edoardo Jacucci
Member of the Board	Member of the Board	Member of the Board

Consolidated statement of cash flows for the year ended 31 December

(EUR 1 000)	Note	2020	2019
Cash flows from operating activities			
Profit (loss) before tax		-1 021	-9 124
Adjustments for			
Taxes paid		-1 450	- 259
Depreciation, amortization and net impairment losses	13, 15, 25	13 143	8 505
Pension expense without cash effect		- 516	- 499
Adjustments for interest expense			
Interest expense including non-cash items		7 450	8 145
Interest cash expense in the period		-6 520	-4 861
Change in operating assets and liabilities			
Change in trade receivable and other receivables		854	7 441
Change in provisions		684	66
Change in deferred revenue		27	-1 952
Change in trade and other payables		-3 204	-2 503
Net cash inflow from operating activities		9 447	4 959
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	5	-2 761	-117 743
Payment for intangible assets	13	- 327	- 876
Payment for property, plant and equipment	15	- 952	-1 473
Payment for software development cost	13	-2 257	-2 622
Net cash (outflow) from investing activities		-6 297	-122 714
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares		-	23 618
Proceeds from borrowings		-	10 000
Repayments of borrowings		- 808	-5 744
Net proceeds from bond issuance		-	102 256
Dividends paid		- 87	-
Repayments of lease liabilities	25	-2 754	-2 386
Net cash inflow from financing activities		-3 649	127 744
Net increase/(decrease) in cash and cash equivalents		- 499	9 988
Cash and cash equivalents at the beginning of period		18 703	8 740
Effects of exchange rate changes on cash and cash equivalents		215	- 25
Cash and cash equivalents 31 December		18 419	18 703

Consolidated statement of changes in equity

(EUR 1.000)	Note	Share capital	Share premium	Share issue Not registered	Share Option program	Foreign exchange translation reserve	Retained Earnings	Attributable to the owners of the parent	Non-controlling interest	Total equity
Balance at 1 January 2019		279	11 273	-	103	- 676	3 952	14 774	-	14 778
Profit/loss for the year							-10 730	-10 730		-10 730
Other comprehensive income for the period						1 427	-1 001	426		426
Acquisition of non-controlling interest								-	2 686	2 686
Share option program	26				214			214		214
Equity issue		179	23 610	196				23 985		23 985
Balance at 31 December 2019		458	34 883	196	317	751	-7 932	28 673	2 686	31 359
Profit/loss for the period							-4 315	-4 315	878	-3 437
Other comprehensive income for the period				- 2	2	- 564	1 944	1 380		1 380
Share option program	26				554			554		554
Acquisition of non-controlling interest								-		-
Dividends								-	- 63	- 63
Equity issue		1	193	- 194			126	126	84	210
Balance at 31 December 2020		**459**	**35 076**	**-**	**873**	**187**	**-10 177**	**26 417**	**3 585**	**30 002**

NOTES TO THE CONSOLIDATED GROUP ANNUAL ACCOUNTS REPORT 2020

General information

Group structure

Information on income statement

Information on statement of financial positions

Capital management

Other information

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 "INFRO".

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 13 April 2021 and are subject to approval by the Annual General Meeting on 17 June 2021.

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 application of hedge accounting for the hedges of net investment in foreign operations (see Note 21)
- The acquisition of NBTrader in November 2020 (see Note 5) which resulted in the recognition of goodwill and other intangible assets.

For a detailed discussion about the group's performance and financial position please refer to our operating and financial review on pages 13 to 16.

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 2020.

Basis of preparation

The consolidated financial statements of Infront ASA for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements consist of statement of income, statement of comprehensive income, statement of financial position, cash flow statement, statements of changes in equity and disclosures.

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

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

The financial statements are prepared on a going concern basis.

The financial statements have been prepared on a historical cost basis, except for a financial asset carried at fair value (refer to Note 22).

Basis for consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December 2020. The financial reporting of the companies included in the consolidated financial statements are based on uniform accounting policies. For all companies included in the consolidated financial statements, the reporting date of the single-entity financial statements corresponds to the reporting date of the consolidated financial statements.

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

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

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency

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

Foreign operations

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

- Assets and liabilities, including goodwill and applicable consolidation adjustments, for each balance sheet presented, are translated at the closing rate on the date of that balance sheet.
- Income and expenses for each income statement are translated at the average exchange rates for the year, calculated based on 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, 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 carryforwards (refer to Note 11),
- Goodwill (refer to Note 13),
- Valuation of pension provision (refer to Note 19),
- Events after the reporting period (refer to Note 30)

Note 4 – Changed accounting principles

New standards, interpretations and amendments effective from 1 January 2020

Infront has applied the following accounting standards adopted by the EU and legally required to be applied since January 1, 2020, although they did not have any significant effect on the assets, financial position and financial performance of Infront in the Consolidated Financial Report:

- Conceptual Framework – Amendments to Reference to the Conceptual Framework for Financial Reporting (IASB-publication: March 29, 2018; EUR endorsement: November 29, 2019)
- IAS 1 / IAS 8 – Definition of Material (IASB-publication: October 31, 2018; EUR endorsement: November 29, 2019)
- IFRS 9 / IAS 39 / IFRS 7 – Interest Rate Benchmark Reform (IASB-publication: September 26, 2019; EUR endorsement: January 15, 2020)
- IFRS 3 – Definition of a Business (IASB-publication: October 22, 2018; EUR endorsement: April 21, 2020)
- IFRS 16 – Covid-19-related rent concessions (IASB-publication: May 28, 2020; EUR endorsement: October 9, 2020)

At the present time, we assume that the use of the other accounting standards and interpretations that have been published but are not yet in use will not have any material effect on the presentation of the financial position, financial performance and cash flow of Infront.

Standards, interpretations and changes to published standards, which are not yet mandatory for 2020, and which have not been applied prematurely by the company

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

	Standard/Interpretation[1]	Published by the IASB	Compulsory use	Endorsement by EU-Commission	
				Effected on	Planned for
IFRS 17	Insurance Contracts	18.5.2017 25.6.2020	1.1.2023		open
IAS 1	Classification of Liabilities as Current or Non-current	23.1.2020 15.7.2020	1.1.2023		open
Others	Annual Improvements to IFRS Standards (2018 - 2020)	14.5.2020	1.1.2022		Q2 2021
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	25.6.2020	1.1.2021	15.12.2020	
IFRS 9/IAS 39/ IFRS 7	Interest Rate Benchmark Reform - Phase 2	27.8.2020	1.1.2021	13.1.2021	

[1] Until 31.12.2020

Note 5 – Business combinations

Accounting principles

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

Critical judgements and significant estimates

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

Description

NB Trader Ltd.

On 18 November 2020, the Infront Group acquired NB Trader Ltd. with agreed purchase price of GBP 2.5 million. The purchase price consists of a cash amount of GBP 2.3 million, two deferred payments of GBP 117 thousand and GBP 112 thousand, respectively, and two earn-out payments of GBP 8 thousand each, which are expected to be paid at settlement date 10 January 2022 and 10 January 2023.

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

(EUR 1 000)	
Customer relationships	895
Technology	561
Other intangible assets	49
Property, plant and equipment	22
Account receivables and other receivables	100
Cash and cash equivalents	74
Other non-current financial liabilities	30
Trade payables and other payables	226
Deferred tax liabilities	277
Total net identifiable assets acquired at fair value	1 169
Goodwill	1 666
Total consideration transferred	2 835
Net cash outflow arising on acquisition	
Cash consideration	2 835
Cash and cash equivalent balances acquired	74
	2 761

The purchase price allocation is final.

The fair value of the acquired trade receivables is EUR 100 thousand.

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

The 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 133 thousand and EUR 89 thousand respectively.

If the acquisition had occurred at the beginning of 2020, revenues for 2020 and profit before taxes for 2020 for the group would have been EUR 1 167 thousand and EUR 11 thousand respectively.

Note 6 – Segment Information

Accounting principles

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

Description

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: covering 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 2020

(EUR 1 000)	Infront Solutions and Terminal	vwd Group	News and Other	Eliminations	Consolidated
Revenue					
External customers	36 181	72 360	5 920	-	114 461
Inter-segment	8 986	-	983	-9 969	-
Total revenue	45 167	72 360	6 903	-9 969	114 461
EBITDA	1 048	16 196	2 070	-	19 314
inter-segment	- 450	- 628	2 950	-1 872	-
Total assets	31 066	181 032	8 307	-	220 405
inter-segment	163 067	420	2 183	-165 670	-
Total liabilities	132 479	54 297	3 627	-	190 403
inter-segment	37 018	43 778	141 518	-222 314	-
Depreciation and amortisation	3 198	9 575	370	-	13 143
inter-segment	- 422	-	- 490	912	-

Segment Information 2019

(EUR 1 000)	Infront Solutions and Terminal	vwd Group	News and Other	Eliminations	Consolidated
Revenue					
External customers	35 981	33 473	6 090	-	75 544
Inter-segment	11 560	-	2 776	-14 336	-
Total revenue	47 541	33 473	8 866	-14 336	75 544
EBITDA	-1 615	8 333	1 620	-	8 338
inter-segment	-2 234	-	2 234	-	-
Total assets	113 972	110 638	3 106	-	228 470
inter-segment	66 630	78 734	3 369	-148 733	-
Total liabilities	132 781	62 129	2 200	-	197 110
inter-segment	15 400	47 481	1 094	-63 975	-
Depreciation and amortisation	3 572	4 900	34	-	8 505
inter-segment	-1 293	-	- 19	1 312	-

Revenue by region

(EUR 1 000)	DACH	Nordic Region	Other regions
2020	60 287	26 537	27 637
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 terminals, data, financial news and subscription to solutions. The Group also derives revenue from advisory services and different customizing of software and solutions.

When the Group enters a contract with a customer, the goods and services promised in the contract are identified as separate performance obligations. This is to the extent that the customer can benefit from the goods or services either on their own or together with other resources that are readily available to the customer. Further, that the goods and services are separately identifiable from other promises in the contract.

Granting access to its proprietary software including market data, for maintaining the software and providing user support is recognized in accordance with the substance of the agreement with the customer. Both maintenance and providing user support are activities that are performed an indeterminate number of times over the period of contract. Such customer contracts contain one distinct performance obligation which is recognized over time (license period) as the services are delivered.

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

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

Revenue from the provision of consulting services is recognized over time when or as the Group performs the related service during the agreed service period, by measuring progress towards complete satisfaction of the performance obligation.

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

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

Description

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

Terminal Solutions (TS)

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

Feed Solutions (FS)

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

Portfolio and Advisory Solutions (PAS)

Infront Portfolio and Advisory solutions supporting our customers on all stages of the asset management workflow – from customer on-boarding to reporting of portfolio performance - on a fully digital and customisable basis. Infront provides process and advisory support, as well as risk evaluation services, in development and management of portfolios.

Publication and Distribution Solutions (PDS)

Infront Publication and Distribution Services provides solutions around the media market. Our News Service helps its customers to better understand the movements of markets and reviews professional and social media news. Our clients can utilize our news-research from brokers and independent research providers to support their investment strategy. Infront, through its vwd Listing and Publishing services, also supports media companies and asset managers who publish fund and market performance information with our pre-formatted financial product performance and documentations. We also provide a module-based web manager so our clients can create custom fund and market performance portraits that they can use for print or online publication purposes.

Regulatory and Calculation Solutions (RCS)

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

Other Solutions (OS)

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

Changes in deferred revenue during the year

(EUR 1 000)	2020	2019
Opening balance deferred revenue on 1 January	4 759	3 769
Additions from business combinations	-	2 940
Changes during the period	27	-1 931
Loss allowance	-	- 19
Exchange differences	- 22	-
Total	4 764	4 759

Revenue by product group and segment 2020

(EUR 1 000)	Infront Solutions and Terminal	vwd Group	News and Other	Eliminations	Consolidated
Terminal Solutions	29 451	20 394	-	-	49 845
Feed Solutions	6 730	7 146	-	-	13 876
Portfolio and Advisory Solutions	-	11 831	-	-	11 831
Regulatory and Calculations Solutions	-	6 943	-	-	6 943
Publication and Distribution Solutions	-	11 316	5 748	-	17 064
Other Solutions	-	14 730	172	-	14 902
Total	36 181	72 360	5 920	-	114 461

Revenue by product group and segment 2019

(EUR 1 000)	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
Regulatory and Calculations Solutions	-	3 147	-	-	3 147
Publication and Distribution Solutions	-	6 232	5 818	-	12 050
Other Solutions	-	5 160	192	-	5 352
Total	36 060	33 474	6 010	-	

Note 8 – Payroll

Number of employees during the year (Full-time equivalents) was 479 in 2020 and 514 in 2019.

Salary and personnel costs

(EUR 1 000)	2020	2019
Salaries	31 718	18 486
Social security costs	7 903	3 883
Pension costs	1 062	680
Other personnel expenses*	3 581	1 363
Total	44 264	24 412

*Other personnel expenses are deducted with number of own work capitalised salaries and social security.

See Note 19, 26 and 27 for further information.

Note 9 – Other operating expenses

Other operating cost consists of the following:

(EUR 1 000)	2020	2019
Services	3 836	4 802
Consultancy fees	2 711	3 821
Travel expenses	345	408
Marketing	418	304
General administrative costs	2 536	3 546
Loss on receivables	79	253
Other operating expenses*	3 051	3 122
Total other operating expenses	12 976	16 256

* see Note 25 for further information

Specification of the auditor's fees:

(EUR 1 000)	2020	2019
Audit fee	87	142
Audit fee (Other)	221	178
Other audit related services	91	28
Total	400	348

Note 10 – Financial Items

Financial income and expenses consist of:

(EUR 1 000)	2020	2019
Interest and similar income	158	140
Net foreign exchange gain	734	3 925
Total financial income	892	4 065
Interest and similar expense	7 620	7 074
Interest expenses for leasing liabilities	464	323
Net foreign exchange loss	-	5 627
Total financial expenses	8 084	13 024
Net financial items	-7 192	-8 959

See Note 23 and 25 for further information.

Note 11 – Tax

Accounting principles

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

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

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

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

Critical judgements and significant estimates

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

Descriptions

The Group’s income tax expense comprises the following:

(EUR 1 000)	2020	2019
Current income taxes	3 035	2 521
Deferred income taxes	-1 163	-1 261
Taxes	1 872	1 260
Of which recognized in profit or loss	2 416	1 605
Of which recognized in other comprehensive income	- 544	- 345

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

(EUR 1 000)	2020	2019
Deferred tax balances		
Losses carried forward	8 145	9 975
Property, plant and equipment	474	475
Intangible assets	-18 517	-19 929
Accounts receivable	- 37	32
Provisions	890	800
Other	484	467
Subtotal	-8 561	-8 181
Non-recognized deferred tax assets	-4 828	-6 096
Net deferred tax asset (liability)	-13 389	-14 277
Reconciliation to balance sheet		
Deferred tax assets	5 456	5 790
Deferred tax liabilities	18 845	20 068
Net deferred tax assets (liabilities)	-13 389	-14 277

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

(EUR 1 000)	2020	2019
Recognition of the effective tax rate with the Norwegian tax rate:		
Ordinary profit / loss before tax	-1 021	-9 126
Expected tax expense using nominal tax rate of 22%	- 225	-2 008
Tax effect of non-taxable amounts:		
Tax on permanent differences	150	721
Tax effect of non-taxable amounts	- 16	124
Effect of deviating tax rate in other countries	243	134
Effect of temporary differences that are not included in the calculation of deferred tax	1 935	1 593
Other	329	1 041
Income tax expense	2 416	1 605
Payable tax in the balance:		
Payable income tax	4 444	2 399
Total payable tax in the balance	4 444	2 399

Note 12 – 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

	2020	2019
Profit	- 3 437	- 10 730
Average number of shares outstanding	43 425 390	32 738 041
Average number of shares and options outstanding	43 425 390	32 738 041
Basic earnings per share (EUR/Share)	-0.08	-0.40
Diluted earnings per share*	-0.08	-0.40
Average number of shares outstanding	43 425 390	32 738 041
Dilution effects	-	-
Warrants	-	-
Average number of shares outstanding adjusted for dilution effects	43 425 390	32 738 041

*Since the Group is presenting a loss of EUR -3 505 the options cannot have dilutive effects and basic EPS and diluted EPS is therefore equal.

Note 13 – Intangible Assets

Accounting principles

Intangible assets acquired in business combinations

Acquired Intangible assets comprise customer contracts, brands, and databases. Assets acquired as a part of a business combination are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line basis over their estimated useful lives.

Goodwill

Intangible assets acquired as part of an acquisition that do not meet the criteria for separate recognition are recognized as goodwill. Goodwill is allocated to cash generating units (CGU) and not amortized but tested for impairment at least annually (refer to Note 14).

Capitalized Development

Expenditure on research is expensed as incurred. Expenditure on development activities is capitalized if the project is technically and commercially feasible, the Group has sufficient resources to complete development, and can measure reliably the expenditure attributable to the intangible asset during its development. The expenditure capitalized includes primarily direct 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 software, representing the Group's main offering, is a continuous process. The customers expect an up-to-date service, and the software is updated and/or changed regularly. The useful life of a development project is difficult to estimate and monitor. The estimated useful life for development projects is 3 years.

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

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

Development in net carrying amount in 2020:

(EUR 1 000)	Capitalised development*	Customer contracts	Database	Brand	Goodwill	Total
Opening balance accumulated cost	17 091	57 551	4 814	9 050	99 675	188 180
Additions	2 257	-	327	-	-	2 584
Acquisition of business (Note 5)	-	946	593	-	1 672	3 211
Reclassifications	353	-	17	-	- 370	-
Exchange differences	- 461	- 367	- 38	-	253	- 613
Closing balance accumulated cost	19 240	58 130	5 713	9 050	101 230	193 362
Opening balance accumulated amortization and impairment	7 990	3 775	863	1 564	-	14 193
Amortization charge	2 079	3 522	1 117	2 792	-	9 510
Exchange differences	- 429	- 105	- 16	-	-	- 550
Closing balance accumulated amortization and impairment	9 640	7 192	1 964	4 356	-	23 153
Closing net book amount	9 600	50 938	3 749	4 694	101 230	170 209

*) Capitalised development is an internally generated intangible asset

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

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

Development in net carrying amount in 2019:

(EUR 1 000)	Capitalised development*	Customer contracts	Database	Brand	Goodwill	Total
Opening balance accumulated cost	7 682	6 328	598	-	4 425	27 284
Additions	2 576	-	419	-	-	2 995
Acquisition of business (Note 5)	-	-	-	-	8 250	-
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	-	14 193
Closing net book amount	9 101	53 776	3 950	7 485	99 675	173 988

*) Capitalised development is an internally generated intangible asset

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

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

No ownership restrictions exist on intangible assets and no public sector benefits were offset from the acquisition costs for intangible assets during the financial year 2020.

Note 14 – 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 represents 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 assesses 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 vwd Group and Market Connect. A segment-level summary of the goodwill and intangibles assets allocation is presented below:

(EUR 1 000)	**2020**	2019
Infront Solutions and terminal	15 173	12 283
vwd Group	151 412	146 566
News and other	3 624	1 797
Total	170 209	159 946

Impairment test 2020

Goodwill was tested for impairment at the end of 2020. No impairment losses were identified in 2020, 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%	0.0%	1.0%
EBITDA margin	16.7%	31.8%	35.9%
WACC	7.2%	8.2%	7.2%
Debt-to-equity ratio	645.6%	120.5%	130.4%

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

Assumption	Approach used to determine values
Growth in revenue	Low, but realistic and increasing revenue growth in the 5-year period
EBITDA margin	EBITDA margins estimated based on 2020 budget and improving 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. For this purpose, WACC and growth rate was adjusted by 0.5%. The determined recoverable amounts in the simulations remained consistently above the carrying value and the sensitivity analysis didn't provide any indication of impairment.

Note 15 – 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

Development in net carrying amount in 2020:

(EUR 1 000)	Tenant installations	Technical equipment and machines	Other equipment, operating and office equipment	Total
Opening balance accumulated cost	106	2 220	3 093	5 419
Additions	121	786	45	952
Acquisition of business (Note 5)	-	-	44	44
Sale/disposals	-	-	- 26	- 26
Reclassification	-	- 59	59	-
Exchange differences	- 10	- 7	- 159	- 176
Closing balance accumulated cost	217	2 940	3 056	6 213
Opening balance accumulated depreciation and impairment	27	411	2 034	2 472
Depreciation charge	56	745	374	1 175
Reclassification	-	- 21	21	-
Exchange differences	- 1	- 2	- 138	- 141
Closing balance accumulated depreciation and impairment	82	1 133	2 291	3 506
Closing net book amount	135	1 807	765	2 707

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

Development in net carrying amount in 2019:

(EUR 1 000)	Tenant installations	Technical equipment and machines	Other equipment, operating and office equipment	Total
Opening balance accumulated cost	-	-	2 012	2 012
Additions	78	416	749	1 243
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	3 093	5 419
Opening balance accumulated depreciation and impairment	-	-	1 693	1 693
Depreciation charge	27	410	340	777
Exchange differences	-	1	1	2
Closing balance accumulated depreciation and impairment	27	411	2 034	2 472
Closing net book amount	79	1 809	1 059	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

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

Note 16 – Other non-current and current assets

(EUR 1 000)	Non-current		Current	
	2020	2019	2020	2019
Pension assets	650	646	-	-
Income tax receivables	-	-	454	88
Other financial assets	271	192	1 070	1 032
Other non-financial assets	-	-	2 301	2 172
Total	921	838	3 825	3 292

Note 17 – Trade receivables

Accounting policies

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 15-45 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 equal to 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 2020 or 1 January 2020 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 2020.

Description

(EUR 1 000)	2020	2019
Trade receivables from contracts with customers	8 740	9 637
Less provision for expected credit loss on trade receivables	- 572	- 396
Trade receivables (net)	8 168	9 241

Aging of trade receivables by due date:

(EUR 1 000)	2020	2019
Not due	5 873	8 197
Past due 1-30 days	810	287
Past due 31-60 days	528	345
Past due 61-90 days	218	188
Past due more than 90 days	1 311	620
Trade receivables	8 740	9 637

Note 18 – Cash

Accounting policies

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

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

Description

(EUR 1 000)	2020	2019
Cash and Cash Equivalents		
Cash in bank	18 419	18 703
Cash equivalents	-	-
Total Cash and Cash Equivalents	18 419	18 703
Drawn overdraft	-	-
Total Cash and Cash Equivalents	18 419	18 703
Of which restricted Cash		
Guarantees for leases and credits from suppliers	456	-
Taxes withheld	146	205
Other restricted cash	283	-
Total Restricted Cash	885	205

Note 19 – 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 has both defined contribution and defined benefit plans. There are no multi-employer plans.

The Norwegian companies in the group are subject to the requirements of the Mandatory Company Pensions Act, and the company's pension scheme follows the requirements of the act. Other pensions are granted in accordance with the statutory and financial conditions specific to the countries concerned.

Defined contribution

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

Defined benefit

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

Critical judgements and significant estimates

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

Description

Pension plans in Germany

The subsidiary Infront Financial Technology GmbH has committed itself to post-employment benefits for its staff in the form of a one-off allocation of capital when they complete their 65th year or leave the company, when they leave based on a flexible retirement age or when they become incapacitated for work after completing their 60th year. The capital allocation is dependent on the length of their service of the company and their monthly salary. The pension plan was in operation until 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 Infront Financial Technology GmbH.

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

The recognized carrying amount of pension liabilities related to the pension plan is EUR 4 482 thousand as of 31 December 2020 (and EUR 4 598 thousand as of 31 December 2019). The recognized carrying amount of reimbursement right is EUR 597 thousand as of 31 December 2020 (and EUR 575 thousand as of 31 December 2019).

Switzerland

Until 2010 the staff of the former Infront Financial Technology AG participated in two legally independent employee pension foundations which provide for a retirement pension on reaching retirement age, part of a disability pension in case of invalidity and a surviving dependents' benefit in case of death. The post-employment benefits are on a defined contribution basis and 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 made by Infront Financial Technology AG, Zurich, in 2020, concern exits of long-serving employees from the company with large pension assets in the respective pension schemes. The employee benefit foundation is a legal entity whose financial condition may only be assessed based on an actuarial balance sheet and on no other basis. The obligations to provide occupational pensions are calculated for the purpose of group calculations and thus affect only the company and not the employee pension foundation. Pension plans in Switzerland are given pro-rata cover by the plan assets existing at the foundations.

The recognized carrying amount of pension liabilities related to the pension plans is EUR 2 301 thousand as of 31 December 2020 (EUR 3 339 thousand as of 31 December 2019).

Sweden, Belgium, Italy and other

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

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

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

(EUR 1 000)	2020	2019
Present value on January 1	16 258	244
Adjustments due to exchange rate changes	73	181
Change in consolidation group	-	14 127
Past-service costs	376	528
Retroactively calculated past-service costs	-	-
Interest expenses	96	187
Contributions by beneficiary employees	234	1 471
Actuarial gains (-)/ losses (+)		
– from changes to demographic assumptions	-	-
– from changes in financial assumptions	158	1 466
– due to experience-based adjustments	-1 127	- 27
Pension payments	-2 428	-1 918
Present value on December 31	13 639	16 258
Plan asset on January 1	-7 599	-
Adjustments due to exchange rate changes	- 48	- 133
Change in consolidation group	-	-7 325
Interest income	- 23	- 76
Contributions by employers	- 254	- 308
Gains (+)/losses (-) from revaluation (excluding amounts included in interest income)	- 10	- 95
Pension payments	2 240	1 810
Contributions by beneficiary employees	- 234	-1 471
Plan asset on December 31	-5 928	-7 599
Net liability		
Obligations for benefit commitments	13 639	16 258
less plan asset	-5 928	-7 599
Net liability as at December 31	7 711	8 659
Reimbursement rights on January 1	646	40
Change in consolidation group	-	596
Benefits paid from reinsurance policies	- 13	- 13
Actuarial gains (+)/ losses (-)	- 2	-
Contributions to reinsurance policies	4	4
Income from reimbursement claims	15	19
Reimbursement rights on December 31	650	646

Components of net periodic benefit cost include:

(EUR 1 000)	**2020**	2019
Past-service costs	376	528
Net interest expense (+)/ income (-)	73	111
Amounts recognized in income statement	**449**	638
Actuarial gains (-)/ losses (+) from changes to demographic assumptions		
Actuarial gains (-)/ losses (+) from changes in financial assumptions	158	1 466
Actuarial gains (-)/ losses (+) due to experience-based adjustments	-1 136	- 121
Amounts included in other comprehensive income	**- 978**	1 345
TOTAL	**- 529**	1 983

Assumptions

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

	2020	2019
Actuarial interest rate	0.7	0.6
Fluctuation	5.0	5.4
Expected annual rise in income	2.0	2.0
Expected annual rise in pension	0.6	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 based on BVG 2010.

Note 20 – Other non-current and current liabilities

(EUR 1 000)	Non-current		Current	
	2020	2019	**2020**	2019
Other financial liabilities	1 362	2 095	845	1 024
Trade payables	-	-	12 901	16 408
Contract liabilities	437	800	410	529
Other liabilities from taxes	-	-	2 694	2 602
Accrued salaries and other employment benefits	-	-	5 755	5 607
Personnel and other provisions	1 049	658	1 493	752
Other payables	-	-	4 378	5 068
Total other non-current and current liabilities	**2 847**	3 553	**28 476**	31 990

See also Note 21, 22 and 23 for further information.

Note 21 – Financial risk management

Capital management

The group's objectives when managing capital are to:

- safeguard the ability to continue as a going concern, so that it 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 number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce net debt.

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

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

(EUR 1 000)	**2020**	2019
Cash and cash equivalents	18 419	18 703
Borrowings – repayable within one year	10 000	10 000
Borrowings – repayable after one year	102 627	101 757
Net debt	**94 208**	93 054
Total equity	30 002	31 359
Net gearing (Net debt to total equity ratio)	**314%**	297%

Financial risks

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

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

Risk	Exposure arising from	Measurement	Management
Market risk - foreign exchange	Future commercial transactions. Recognized financial assets and liabilities not denominated in EUR.	Cash flow forecasting. Sensitivity analysis.	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 - 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.

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

In accordance with the group's risk management policies, management wishes to reduce volatility in the consolidated financial statements arising from EUR/NOK fluctuations by designating the debt as a hedge of the net investment (for details refer to Note 22 Financial instruments).

The hedging objective is the net investment in the vwd group and hedge instrument is EUR 60 million of the group's EUR bond amounting to EUR 102.6 million presented as Non-current borrowings under Non-current liabilities in the statement of financial position. The effective part of the fair value change of the hedging instrument in the period (EUR 3.4 million) has been recognized in the Other Comprehensive Income.

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

(EUR 1 000)	2020	2019
Exchange losses on foreign currency borrowing included in finance costs	-2 943	-1 411
Total net foreign exchange (losses) recognized in profit before income tax for the period	-2 943	-1 414

Sensitivity

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

(EUR 1 000)	31 December 2020		31 December 2019	
	-5%	5%	-5%	5%
DKK	- 140	140	- 147	147
GBP	2	- 2	41	- 41
NOK	1 000	-1 000	425	- 425
SEK	- 379	379	- 53	53
USD	50	- 50	55	- 55
ZAR	11	- 11	3	- 3

(EUR 1000)	31 December 2020		31 December 2019	
	-10%	10%	-10%	10%
DKK	- 279	279	- 295	295
GBP	4	- 4	83	- 83
NOK	1 999	-1 999	849	- 849
SEK	- 758	758	- 106	106
USD	101	- 101	109	- 109
ZAR	21	- 21	5	- 5

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 potentially entering adequate hedging transactions in the future, 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 2020 but will assess the need for additional risk management efforts on a continuous basis.

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

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

(EUR 1 000)	2020	% of total loans	2019	% of total loans
Variable rate borrowings	112 627	100%	111 757	100%
Other borrowings – repricing dates:				
- 6 months or less				
- 6 – 12 months				
- 1 – 5 years				
- Over 5 years				
	112 627	100%	111 757	100%

An analysis by maturities is provided in Note 23. The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

Sensitivity

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

(EUR 1 000)	Impact on post tax profit		Impact on equity	
	2020	2019	2020	2019
Interest rates – increase by 70 basis points*	- 788	- 628	- 788	- 628
Interest rates – decrease by 100 basis points*	1 126	897	1 126	897

* Holding all other variables constant

Credit risk

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

Customer credit risk is managed by each business unit independently. The Group has established procedures for credit rating for new customers and the risk that customers do not have the financial means to meet their obligations is considered low. Outstanding customer receivables are monitored on a regular basis and any overdue receivables are followed up closely both internally and with the help of external debt collection agencies. Overall, the group has experienced very limited losses from trade receivables. Despite COVID-19, customers seem to be liquid and the industry robust. In recent years, losses varied from EUR 20 – 50 thousand per year. Provisions for losses are made based on actually incurred historical losses. For details refer to Note 22 Financial instruments and Note 17 Trade receivables.

Liquidity risk

The Group's objective is to maintain a balance between continuity of stable net cash inflow from operation due to high and recurring turnover, and flexibility using bank overdrafts and bank loan facilities. Approximately 27% of the Groups debt will mature in less than one year on 31 December 2020 (2019: 27%) based on the carrying value of borrowings reflected in the financial statements (maturity analysis is presented in Note 23). 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 18) based on expected cash flows. This is generally carried out at local level in the operating companies of the group, in accordance with practice and limits set by the group. These limits vary by location to consider the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Note 22 – Financial instruments by category

Accounting polices

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

Financial assets

Financial assets include 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 bonds and other securitized liabilities, trade payables, liabilities to banks, liabilities to affiliated companies and derivatives designated as hedges. Financial liabilities are classified into the following categories:

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

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

Fair Value

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

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

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

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

Hedges

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

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

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

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

Description

Carrying amount of financial assets and liabilities divided into categories:

(EUR 1 000)	Note	2020	2019
Financial assets			
Financial assets at amortized cost			
- Other non-current assets		271	192
- Trade receivables and other current assets	16, 17	9 225	11 749
- Cash and cash equivalents	18	18 419	18 703
Financial assets measured at fair value through profit or loss		13	592
		27 928	31 236
Financial liabilities			
Liabilities at amortized cost			
- Non-current and current borrowings	23	112 627	111 757
- Lease liabilities	25	11 125	13 926
- Trade and other financial liabilities	20	23 882	35 951
Financial liabilities measured at fair value through profit or loss	23	2 207	2 910
		149 841	164 544

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

(EUR 1 000)	Level 1	Level 2	Level 3	Total 2020
Financial assets measured at fair value through profit or loss	-	13	-	13
Financial liabilities measured at fair value through profit or loss	-	2 207	-	2 207

(EUR 1 000)	Level 1	Level 2	Level 3	Total 2019
Financial assets measured at fair value through profit or loss	-	592	-	592
Financial liabilities measured at fair value through profit or loss	-	2 910	-	2 910

The group's exposure to various risks associated with the financial instruments is discussed in Note 21. 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 23 – Borrowings and other interest-bearing liabilities

Accounting principles

Refer to Note 21 and 22 Financial instruments for the description of the accounting principles.

Description

Bond issue

The acquisition of vwd group 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. which 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 must pay a premium.

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 a revolving credit facility (RCF) with Danske Bank amounting to EUR 10 million. On 31 December 2020, 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 2021, 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 loan facility documents available on Oslo Børs. The Net Total Leverage Ratio must be below 9.00 at any date in 2020, below 8.00 at any date in 2021 and 2022 and below 7.00 at any date in 2023. The highest amount of Net Total Leverage Ratio was 6.43 (2019: 6.05) in 2020 and at reporting date 31 December 2020 4.98 (31 December 2019: 6.05).

Other financial liabilities

Other financial liabilities arise from an asset deal in acquisition of SIX Financial Information's Nordic news and terminal business on 31 October 2016. The contingent consideration is dependent upon the value of news and terminal customers migrated to Infront. The contingent consideration will be payable quarterly until August 2023. Significant estimates used to calculate the contingent consideration include migration success, the timing of the migration and interest rate used to calculate the present value of the future expected cash flows.

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

(EUR 1 000)	Less than 1 year	1-3 years	3-5 years	Over 5 years	Total 2020
Borrowings (excluding leases)	10 000	105 000	-	-	115 000
Other financial liabilities	845	1 392			2 244
Trade payables	12 901	-	-	-	12 901
Total non-derivatives	23 746	106 399	-	-	130 145

(EUR 1 000)	Less than 1 year	1-3 years	3-5 years	Over 5 years	Total 2019
Non-derivatives					
Borrowings (excluding leases)	10 000	-	105 000	-	115 000
Other financial liabilities	1 024	1 616	326	-	2 966
Trade payables	16 408	-	-	-	16 408
Total non-derivatives	27 432	1 616	105 326	-	134 374

Interest payments for the borrowings were EUR 8.6 million (2019: EUR 3.1 million).

For the maturity profile of lease liabilities, see Note 25.

Changes in liabilities arising from financing activities:

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

(EUR 1 000)	Loans and borrowings	Other financial liabilities	Total 2019
As of 1 January, 2019	6 058	3 403	9 461
Changes from financing cash flows			
Repayment of borrowings	-6 058	-	-6 058
Proceed from borrowings	115 057	-	115 057
Changes from investing cash flows	-	- 796	- 796
Effect of changes in foreign exchange rates	-	- 69	- 69
Other	-3 300	581	-2 719
As of 31 December, 2019	111 757	3 119	114 876
Non-current liabilities	101 757	2 095	103 852
Current liabilities	10 000	1 024	11 024
Total non-current and current liabilities	111 757	3 119	114 876

Guarantees

The Group has provided guarantees of EUR 76.1 million (2019: EUR 80.0 million).

Note 24 – 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.

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

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

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

Ownership structure

Largest shareholders as of 31 December 2020:

Name	Number of shares	% of shares
Lindeman AS (CIO)	6 000 000	13.8%
Nesbak AS (CEO)	5 340 000	12.3%
Karbon Invest AS	3 143 208	7.2%
State Street Bank and Trust Comp	2 750 000	6.3%
Sole Active AS	2 445 048	5.6%
Strawberry Capital AS	2 247 437	5.2%
State Street Bank and Trust Comp	2 137 000	4.9%
HSBC Bank Plc	2 031 915	4.7%
Citibank, N.A.	1 342 651	3.1%
Skandinaviska Enskilda Banken AB	1 225 931	2.8%
Altitude Capital AS	839 932	1.9%
MP Pensjon PK	741 413	1.7%
Verdipapirfondet DNB SMB	640 966	1.5%
Strømstangen AS	608 771	1.4%
Brunudden Kapital AS	608 771	1.4%
Hallvard Vassbotn	606 899	1.4%
Rational Asset Management Equity	576 909	1.3%
Goldman Sachs International	541 559	1.2%
Remaining shareholders	9 596 980	22.1%
Total number of shares	43 425 390	100.0%

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%
Hallvard Vassbotn	642 913	1.5%
Skandinaviska Enskilda Banken	605 131	1.4%
Rational Asset Management Equity	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	100.0%

Note 25 – Leasing

Accounting policies

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

- assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees

- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

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

To determine the incremental borrowing rate, the group:

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

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

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

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

Extension and termination options

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

Description

Statement of financial position

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

(EUR 1 000)	2020	2019
Right of use assets		
Property	10 053	11 513
Equipment	70	237
Cars	293	322
Other	284	1 600
Total	10 700	13 672
Lease liabilities		
Current	2 009	2 643
Non-Current	9 116	11 283
Total	11 125	13 926

Income statement

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

(EUR 1 000)	2020	2019
Expenses relating to short-term leases	- 128	- 813
Expenses relating to leases of low value	- 18	- 63
Expenses relating to variable lease payments not included in lease liabilities	-	-
Income from subleasing right of use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
Gross operating income (expenses)	- 146	- 876
Depreciation of right-of-use asset		
Properties	-1 953	-1 449
Equipment	- 74	- 196
Cars	- 183	- 94
Others	- 249	- 486
Operating profit (loss)	-2 459	-2 225
Interest expense on lease liabilities	- 464	- 325
Profit (loss) before taxes	-2 923	-2 550

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 for a 3–5-year period. Some building leases have extension options, and this has been considered.

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

(EUR 1 000)	2020	2019
Acquisition cost 1 January	15 906	-
Change in accounting policies	-	4 803
Currency translation differences	- 74	- 52
Addition of new contracts	559	3 469
Change in current contracts	-1 044	-
Change in consolidation group	52	7 687
Acquisition cost 31 December	15 399	15 906
Accumulated depreciation and impairment 1 January	-2 235	-
Currency translation differences	- 5	- 10
Depreciation	-2 459	-2 225
Accumulated depreciation and impairment 31 December	-4 699	-2 235
Total right-of-use assets as of 31 December	10 700	13 671

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

(EUR 1 000)	2020	2019
As of 1 January	13 926	-
Change in accounting policies	-	4 803
Currency translation differences	- 79	- 55
New lease liabilities in the period	585	3 469
Change in current contracts	-1 070	-
Leasing payments for the principal portion of the lease liability	-2 754	-2 393
Interest expenses on lease liabilities	464	325
Change in consolidation group	53	7 778
Total lease liabilities on 31 December	11 125	13 926

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

(EUR 1 000)	2020	2019
Less than 1 year	2 681	3 444
1-3 years	4 735	5 439
3-5 years	3 936	4 204
Over 5 years	1 277	3 040
Total	12 629	16 127

Statement of cash flows

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

(EUR 1 000)	2020	2019
Net cash flow from operating activities	- 146	- 876
Net cash flow from financing activities	-2 754	-2 393
Total	-2 900	-3 269

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

Note 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 considers the exercise price, the term of the option, the impact of dilution (where material), the share price at the grant date, expected price volatility of the underlying share and risk-free interest rate. The expected share price volatility is based on historical volatility for a selection of comparable listed companies. Risk free interest rate is based on treasury bonds with structure similar duration as the option program. For 2020 a risk-free rate of 0.272% (2019: 1.240%) and a volatility of 30.00% (2019: 30.00%) has been used in the calculation.

Description

Since the Annual General Meeting 2019 the Board has resolved to issue options to a selection of management in the Company.

A total of 560 000 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 (if 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.

The share option program consists of nine tranches in 2020 (previous year six tranches), as displayed in the table below:

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

Allotment of share options	Fair value	Strike price (NOK)	Grant date	Vesting date	Expiry date	Latest exercise schedule	Total number of share options	Exercised share options	Average exercise price	Forfeited options	Remaining share options
Tranche I	928 095	23.53	6/26/2018	6/26/2019	6/26/2023	N/A	344 309			77 469	266 840
Tranche II	1 317 681	23.53	6/26/2018	6/26/2020	6/26/2023	N/A	344 309			77 469	266 840
Tranche III	1 630 070	23.53	6/26/2018	6/26/2021	6/26/2023	N/A	344 309			77 469	266 840
Tranche IV	3 040 826	19.4	11/14/2019	11/14/2020	11/14/2024	N/A	506 412				506 412
Tranche V	3 544 669	19.4	11/14/2019	11/14/2021	11/14/2024	N/A	506 412				506 412
Tranche VI	3 967 635	19.4	11/14/2019	11/14/2022	11/14/2024	N/A	506 412				506 412
Total in 2019	14 428 977						2 552 163	-	-	232 407	2 319 755

Note 27 – Compensation to the Board and Executive Management

Remuneration to the Board of Directors:

(EUR)	2020	2019
Gunnar Jacobsen, chairman of the board	46 621	50 771
Beate Skjerven Nygårdshaug	25 642	25 386
Mark Ivin	25 642	25 386
Bente A. Landsnes (from June 2020)	13 986	-
Edoardo Jacucci (from June 2020)	13 986	-
Torun Anna Margareta Reinhammer (until June 2020)	11 655	25 386
Total Board of Directors	137 532	126 929

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

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

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

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

No pension scheme is 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 2020	Number of Shares 2019
Executive Management			
Kristian Nesbak	CEO	5 340 000	5 340 000
Morten Alexander Lindeman	CIO	6 000 000	6 000 000
Max Hofer	CFO	179 157	166 666
Fredrik Koch	CTO	10 000	-
Board of Directors			
Gunnar Jacobsen (Gujac Holding AS)	Chairman	72 463	72 463
Mark Ivin	Member	18 233	18 233
Beate Skjerven Nygårdshaug	Member	7 291	7 291
Bente A. Landsnes (from June 2020)	Member	14 012	-
Torun Reinhammer (until June 2020)	Member	-	834

The development in number of shares for the executive management as follows:

Name	Number of share options 2019	Options granted	Options vested	Options Expired	Number of share options 2020
Executive Management					
Kristian Nesbak	150 000		50 000		150 000
Morten Alexander Lindeman	150 000		50 000		150 000
Max Hofer	859 755		415 701		859 755
Udo Kersting	100 000	200 000	33 333		300 000
Bjørn Döhrer (until October 2020)	200 000			200 000	-
Fredrik Koch	-	180 000			180 000

Name	Number of share options 2018	Options granted	Options vested	Options Expired	Number of share options 2019
Executive Management					
Kristian Nesbak		150 000			150 000
Morten Alexander Lindeman		150 000			150 000
Max Hofer	387 347	472 408	129 116		859 755
Udo Kersting		100 000			100 000
Bjørn Döhrer		200 000			200 000

As in 2019, the Board of Directors have no share options.

Note 28 – Investments in subsidiaries

Investments in subsidiary as of 31 December 2020:

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%
NBTrader Solutions Ltd.	18.11.2020	yes	Kent	100%	100%
TDN Finans 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%
Infront Financial Technology 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%
Infront Financial Technology B.V.	17.07.2019	yes	Amsterdam	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%
Infront Financial Technology NV	17.07.2019	yes	Antwerpen	100%	100%

Investments in subsidiary as of 31 December 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 Finans 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%

Note 29 – Contingencies and legal claims

The Group has not been involved in any legal or financial disputes in 2020, where an adverse outcome is considered more likely than remote.

Note 30 – Events after the reporting period

On 15 December 2020, Inflexion Private Equity Partners LLP ("Inflexion") and Infront ASA announced that Dash Bidco AS (the "Offeror") would launch an offer to acquire all outstanding shares of Infront through a voluntary cash offer (the "Offer") of NOK 34.40 per share (the "Offer Price"). The Board of Directors of Infront unanimously decided to recommend that the shareholders of the Company accept the Offer.

Following the announcement on 15 December 2020 regarding an offer to acquire all outstanding shares of Infront, Dash Bidco AS launched a recommended voluntary cash offer for all Infront's outstanding shares against a consideration in cash of NOK 34.40 per share on 25 January 2021. On 1 March 2021 Dash Bidco AS increased the offer price from NOK 34.40 to NOK 40.00 representing the final offer price. In March 2021, the bidder decided to lower the threshold for minimum acceptance condition from 90% to 80% of the issued and outstanding share capital and voting rights of Infront on a fully diluted basis. Dash Bidco AS (together with its affiliates) currently owns, or has, through acceptances from shareholders and the agreement with the founders of Infront, rights to, in total 37,301,958 shares in Infront, representing in total 85.90% of the share capital of Infront. Based on the acceptances level above, the minimum acceptance level of 80%, being a condition for completion of the Offer, has been satisfied. Subsequent of the completion of the Offer, Dash Bidco AS intends to delist Infront from the Oslo Stock Exchange.

As disclosed in the Operational Review in this Annual Report 2020, the continuing outbreak of COVID-19 has been assessed as a part of our subsequent events procedures. The management's assessment of the impact involves making judgements, as of the date of this report, about inherently uncertain future conditions. Infront has determined that the effects of the COVID-19 outbreak do not currently affect the amounts recognized in the balance sheet of this financial statement.

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

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 2020

Income statement for the year ended 31 December

(NOK 1 000)	Note	2020	2019
Revenues	2	244 648	195 978
Total operating revenues		**244 648**	195 978
Raw materials and consumables used		149 072	131 465
Payroll expenses	3	61 469	45 666
Depreciation and amortization	4, 5	13 720	17 580
Other operating expenses	3, 13	36 089	46 063
Total operating expenses		**260 350**	240 774
Operating profit		**- 15 702**	- 44 796
Income from subsidiaries and other Group entities		16 885	6 376
Interest income		35 232	21 910
Interest expenses		- 72 236	- 44 308
Other financial expenses		- 40 874	- 20 479
Financial income/ (expenses) - net	10	**- 60 993**	- 36 501
Tax on ordinary result	6	3 190	- 18 035
Loss for the year		**- 79 886**	- 63 262
Allocated to equity	7	- 79 886	- 63 262
Net disposition of loss		**- 79 886**	- 63 262

Statement of financial position as of 31 December

(NOK 1 000)	Note	2020	2019
ASSETS			
Non-current assets			
Intangible assets			
Research and development	5	11 722	13 159
Customer contracts	5	27 673	32 589
Deferred tax asset	6	20 731	23 921
Total intangible assets		60 126	69 669
Tangible fixed assets	4		
Buildings and land		1 201	1 454
Equipment and other movables		901	892
Total tangible fixed assets		2 102	2 346
Financial assets			
Investments in subsidiaries	9	871 003	868 787
Loan to group companies	9	513 281	545 326
Other long-term assets		225	-
Total financial assets		1 384 509	1 414 113
Total non-current assets		1 446 738	1 486 128
Current assets			
Receivables			
Account receivables		4 180	4 458
Other receivables		2 863	227
Current receivables group companies	9	299 087	114 854
Total debtors		306 130	119 539
Cash and bank deposits	11	7 018	44 965
Total current assets		313 148	164 504
TOTAL ASSETS		1 759 885	1 650 632

(NOK 1 000)	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Share capital	7	4 343	4 333
Share premium		336 064	334 155
Share option program		- 5 126	- 3 207
Total restricted equity		335 281	335 281
Retained earnings			
Other equity		- 75 555	- 1 760
Total retained earnings		- 75 555	- 1 760
Total equity		259 726	333 521
Liabilities			
Non-current liabilities			
Liabilities to financial institutions	12	1 179 239	1 003 709
Other non-current liabilities		14 650	19 578
Total non-current liabilities		1 193 889	1 023 287
Current liabilities			
Trade creditors		5 974	61 333
Public duties payable		4 112	-
Current payables group companies	9	241 865	122 637
Other current liabilities		54 319	109 854
Total current liabilities		306 270	293 824
Total liabilities		1 500 159	1 317 111
TOTAL EQUITY AND LIABILITIES		1 759 885	1 650 632

Oslo, 13 April 2021

Gunnar Jacobsen	Kristian Nesbak	Mark Ivin
Chairman of the Board	CEO	Member of the Board
Beate Skjerven Nygårdshaug	Bente Avnung Landsnes	Edoardo Jacucci
Member of the Board	Member of the Board	Member of the Board

Statement of cash flows for the year ended 31 December

(NOK 1 000)	2020	2019
Cash flows from operating activities		
Profit (loss) before tax	- 76 696	- 81 298
Adjustments for		
Depreciation, amortization and net impairment losses	13 719	17 579
Dividend/Group Contribution	6 376	3 952
Interest expense	72 237	17 411
Interest expense	- 35 232	- 198
Change in accounts receivables	6 556	- 12 045
Change in other accruals	78 030	-
Change in deferred revenue	-	- 711
Change in trade and other payables	- 193 674	33 596
Net cash inflow (outflow) from operating activities	- 128 684	- 21 714
Cash flows from investing activities		
Payment for acquisition of subsidiary, net of cash acquired	- 2 216	-1 288 834
Payment for property, plant and equipment and intangible assets	- 7 948	- 20 911
Net cash inflow (outflow) from investing activities	- 10 164	-1 309 745
Cash flows from financing activities		
Net proceeds from issuance of ordinary shares	-	231 050
Proceeds from borrowings	-	98 638
Repayments of borrowings	-	- 57 397
Net proceeds from bond issue	-	1 008 633
Repayments of lease liabilities	-	- 5 977
Net proceeds from loan to subsidiaries	32 045	-
Net proceeds cash pool	105 861	77 364
Interest expense	- 72 237	- 17 411
Interest income	35 232	198
Net cash inflow from financing activities	100 901	1 335 096
Net increase/(decrease) in cash and cash equivalents	- 37 947	3 637
Cash and cash equivalents at the beginning of period	44 965	40 864
Effects of exchange rate changes on cash and cash equivalents	-	464
Cash and cash equivalents 31 December	7 018	44 965

NOTES TO THE PARENT COMPANY ANNUAL ACCOUNTS

Note 1 – Accounting principles

The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles. The Consolidated Financial Statements are prepared in accordance with IFRS, so that some items may be presented differently. All domestic companies whose securities trade in a regulated market are required to use IFRS Standards as adopted by the EU in their consolidated financial statements.

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

Intangible assets

Expenditure on development activities is capitalized if the project is technically and commercially feasible, the entity has sufficient resources to complete development, and can 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. Dividends 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 based on an individual assessment of receivables. In addition, a general provision for doubtful accounts is made for the remaining receivables. Other receivables are valued under the same principle.

Leasing agreements

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

Taxes

The income tax expense is comprised of both tax payable (22%) for the period, which will be due in the next financial year, and changes in deferred tax. Deferred tax is determined based on existing temporary differences between booked net income and taxable net income, including year-end loss carryforwards. 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. The financial statements for 2019 were presented in Euro. The accounting is recorded in NOK, so it makes sense to present it in the original currency.

Exchange rates used for conversion:

- Statement of financial position – 9.8638
- Income statement – 9.8812

Note 2 – Revenues

(NOK 1 000)	2020	2019
Norway		
Subscription based revenues*	51 425	47 321
Consultancy fee	704	326
Total subscription- based revenues*	52 129	47 647
Other revenue	860	257
Total	52 989	47 904
Abroad		
Subscription based revenues*	190 155	147 936
Consultancy fee	1 504	138
Total subscription-based revenues*	191 659	148 074
Total	191 659	148 074
Total revenues	244 648	195 978

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

Please refer to Note 9 about sales to related parties.

Note 3 – Wages and employee benefits expenses, management remuneration and auditors' fee

(NOK 1 000)	2020	2019
Wages and salaries	49 876	35 004
Social security	8 676	7 470
Pension expenses	1 492	1 561
Other benefits	1 425	1 630
Total	61 469	45 666

As of 31 December, the company has a total of 66 (56) employees and performed 58 (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 2020, NOK 1,491 thousand (NOK 1,563 thousand in 2019), 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. There are no loans or collaterals issued to CEO or Chairman of the Board.

Auditor's fee excluding VAT consists of the following:

(NOK 1 000)	2020	2019
Audit fee PWC - related 2020 audit	300	-
Audit fee BDO - related 2019 audit	1 262	873
Audit fee BDO - related 2018 audit	-	224
Other audit related services PWC	241	-
Other audit related services BDO	88	277
Total auditor's fee	1 891	1 373

Share options

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

Note 4 –Equipment and fixtures

Development in net carrying amount in 2020:

(NOK 1 000)	Equipment and other movables	Buildings and land	Total
Opening balance accumulated cost	8 384	1 637	10 022
Additions	219	-	219
Closing balance accumulated cost	8 603	1 637	10 241
Opening balance accumulated depreciation and impairment	7 492	183	7 676
Depreciations for the year	210	254	464
Closing balance accumulated depreciation and impairment	7 703	436	8 139
Closing net book amount	901	1 201	2 102

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

Development in net carrying amount in 2019:

(NOK 1 000)	Equipment and other movables	Buildings and land	Total
Opening balance accumulated cost	7 713	878	8 591
Additions	671	760	1 430
Closing balance accumulated cost	8 384	1 637	10 022
Opening balance accumulated depreciation and impairment	7 191	-	7 191
Depreciations for the year	302	183	485
Closing balance accumulated depreciation and impairment	7 492	183	7 676
Closing net book amount	892	1 454	2 346

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

Note 5 – Intangible assets

Development in net carrying amount in 2020:

(NOK 1 000)	Research & Development	Customer contracts	Total
Opening balance accumulated cost	88 222	47 662	135 884
Reclassification acquisition cost	- 825	-	- 825
Additions	7 729	-	7 729
Closing balance accumulated cost	95 125	47 662	142 787
Opening balance accumulated depreciation and impairment	75 063	15 073	90 136
Depreciations for the year	8 340	4 916	13 256
Closing balance accumulated depreciation and impairment	83 403	19 989	103 392
Closing net book amount	11 722	27 673	39 396
Estimated useful life, depreciation plan is as follows:			
Economic life	3 years	10 year	
Depreciation plan	Linear	Linear	

Development in net carrying amount in 2019:

(NOK 1 000)	Research & Development	Customer contracts	Total
Opening balance accumulated cost	75 675	47 662	123 337
Additions	12 547	-	12 547
Closing balance accumulated cost	88 222	47 662	135 884
Opening balance accumulated depreciation and impairment	62 892	10 150	73 041
Depreciations for the year	12 171	4 923	17 094
Closing balance accumulated depreciation and impairment	75 063	15 073	90 136
Closing net book amount	13 159	32 589	45 748
Estimated useful life, depreciation plan is as follows:			
Economic life	3 years	10 year	
Depreciation plan	Linear	Linear	

Note 6 – Tax

(NOK 1 000)	2020	2019
Entered tax on ordinary profit/loss:		
Changes in deferred tax advantage	3 190	- 18 035
Tax expense on ordinary profit/loss	3 190	- 18 035
Taxable income:		
Ordinary profit/loss before tax	- 76 696	- 81 298
Permanent differences	- 6 076	- 15 492
Changes temporary differences	5 689	- 31 681
Allocation of interest not deductible YTD to be brought forward	37 010	62 407
Allocation of loss to be brought forward	40 072	66 064
Payable tax in the balance:		
Calculation of effective tax rate:		
Profit before tax	- 76 696	- 81 298
Calculated tax on profit before tax	- 16 873	- 17 886
Tax effect of permanent differences	- 1 337	- 3 408
Effect change in temporary differences not recognized and equity trans.	21 400	3 259
Total	3 190	- 18 035
Effective tax rate	-4.2%	22.2%

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

(NOK 1 000)	2020	2019	Difference
Tangible assets	- 6 365	- 7 910	- 1 545
Accounts receivable	- 190	- 100	90
Non-current financial liabilities	24 845	31 990	7 145
Total temporary differences - effect taxable result YTD	18 290	23 980	5 690
Accumulated loss to be brought forward	- 112 521	- 72 449	40 072
Accumulated interest not deductible YTD to be brought forward	- 99 417	- 62 407	37 010
Not included in the deferred tax calculation	99 417	2 145	- 97 272
Basis for calculation of deferred tax	- 94 231	- 108 731	- 14 500
Deferred tax assets - change deferred tax (22%)	20 731	23 921	3 190

Note 7 – Equity

(NOK 1 000)	Share capital	Share premium	Paid-up equity	Share issue – not registered	Other equity	Total
Balance on 1 January 2019	2 600	105 284	- 5 126	-	59 370	162 128
Share Option program					2 132	2 132
Profit for the period					- 63 262	- 63 262
Share issue not registered				1 919		1 919
Share issue 28 June 2019	1 733	228 871				230 604
Balance on 31 December 2019	4 333	334 155	- 5 126	1 919	- 1 760	333 521
Share Option program					6 091	6 091
Profit for the period					- 79 886	- 79 886
Share issue registered	10	1 909		- 1 919		-
Balance on 31 December 2020	4 343	336 064	- 5 126	-	- 75 555	259 726

Note 8 – Share capital and shareholder information

Please refer to Note 24 in the group's disclosure.

Note 9 – Investments in subsidiaries

Company	Date of acquisition	Registered office	Ownership Share	Historical cost	Book value
Infront Sweden AB	28.09.2007	Stockholm	100%	85	85
AB Nyhetsbyrån Direkt	30.10.2008	Stockholm	100%	16 167	16 167
Infront Finland OY	28.09.2017	Helsinki	100%	23	23
CatalystOne AS	30.10.2009	Oslo	100%	-	-
Infront Analytics SAS	05.04.2012	Paris	100%	19 425	19 425
Infront Financial Information Ltd	03.07.2015	London	100%	-	-
TDN Finans AS	01.05.2016	Oslo	100%	18 809	18 809
Infront South Africa Ltd	30.06.2016	Johannesburg	100%	59	-
Infront Data AB	07.03.2017	Stockholm	100%	15 695	15 695
Infront Italia S.r.l.	29.11.2018	Milan	100%	528	528
vwd Holding GmbH	30.04.2019	Frankfurt/Main	100%	800 270	800 270

Company	Result	Equity 31 December
Infront Sweden AB	1 591	1 814
AB Nyhetsbyrån Direkt	3 977	5 703
Infront Finland OY	2 269	1 604
CatalystOne AS	1	121
Infront Analytics SAS	4 730	24 344
Infront Financial Information Ltd	- 1 575	- 8 331
TDN Finans AS	36	1 249
Infront South Africa Ltd	- 2 300	- 6 576
Infront Data AB	279	2 043
Infront Italia S.r.l.	- 1 247	4 774
vwd Holding GmbH	27 341	104 369

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

(NOK 1 000)	**2020**	2019
Trade Receivables	134 283	45 611
Other Receivables	164 804	69 243
Other long-term receivables	513 281	545 325
Other short-term liabilities	227 319	94 774
Trade payables	14 546	5 122
Long term debt	-	22 741

Transactions with subsidiaries

The Group has various transactions with subsidiaries. All the transactions have been carried out as part of the ordinary operations and at arms-length prices.

The most significant transactions are as follows:

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

(NOK 1.000)		2019	
		Sales to related parties	Purchases from related parties
TDN Finans AS	Norway	-	5 652
Infront Sweden AB	Sweden	87 291	-
Nyhetsbyrån Direkt AB	Sweden	208	18 685
Infront Data AB	Sweden	-	2 609
Infront Finland Oy	Finland	10 652	-
Infront Italia SRL	Italy	4 338	-
Infront Analytics SAS	France	-	9 150
		102 488	36 096

Note 10 – Financial items

(NOK 1 000)	2020	2019
Interest income	15	345
Interest income from subsidiaries	35 217	21 565
Share of profit from subsidiaries	16 885	6 376
Total financial income	52 117	28 286
Interest and financial expenses	71 166	43 199
Amortization interest expense	8 735	5 172
Interest expense subsidiaries	1 071	1 108
Other financial expenses	572	1 145
Loss on foreign exchange	31 566	14 163
Total financial expense	113 110	64 787
Net financial expense	60 993	36 501

Note 11 – Bank deposits

(NOK 1 000)	2020	2019
Employees tax deduction, deposited in a separate bank account	2 181	1 862
Other bank deposits and cash	- 179 872	- 35 745
Total bank deposit and cash	- 177 691	- 33 883
Cash pool	184 709	78 848
Total liquid assets	7 018	44 965

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. There are no warranties or collaterals.

Note 12 – 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 EUR 105 million bond issued in May 2019 and a Revolving Credit Facility amounting to EUR 10 million with Danske Bank. Please refer to Note 23 in the group's disclosure for the details.

Note 13 – Rental agreements and leasing

The company as lessee – financial lease agreements

The company has no financial lease agreements.

The company as lessee – operating lease agreements

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

The lease cost consists of:

(NOK 1 000)	2020	2019
Ordinary lease payments	4 228	2 964
Remuneration from subleases	-	- 504
Total	4 228	2 460

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

(NOK 1 000)	2020	2019
Within 1 year	3 866	3 764
1 to 5 years	16 054	15 750
After 5 years	-	4 087
Total	19 920	23 601

Note 14 – Events after the reporting period

Please refer to Note 30 in the group’s disclosures.

DEFINITION AND GLOSSARY

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 2020

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 2021.

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 2020 and until new principles are resolved by the general meeting in accordance with the Companies Act. The annual general meeting in 2021 will review how the principles set out in this declaration have been complied with in 2020 and deal with the principles for 2021 in accordance with the Companies Act.

2. Main principles

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

2.1 Remuneration shall be competitive, but not leading

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

2.2 Remuneration shall be motivational

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

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

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

2.3 Remuneration shall be comprehendible and acceptable both internally and externally

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

2.4 Remuneration shall be flexible, allowing adjustments over time

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

3. Principles regarding benefits offered in addition to base salary

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

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

3.1 Additional benefits

3.1.1 Short term incentive / bonus scheme

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

3.1.2 Pension plans and insurance

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

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

3.1.3 Severance schemes

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

3.1.4 Benefits in kind

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

3.1.5 Loans and guarantees

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

3.1.6 Other benefits

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

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

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

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

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

4. Remuneration to senior managers in other Infront companies

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

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

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

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

The annual report and annual accounts for 2020 are available on the web site of the Company, infrontfinance.com.

Oslo, 13 April 2021

The Board of Directors of Infront ASA

Gunnar Jacobsen	Kristian Nesbak	Mark Ivin
Chairman of the Board	CEO	Member of the Board
Beate Skjerven Nygårdshaug	Bente Avnung Landsnes	Edoardo Jacucci
Member of the Board	Member of the Board	Member of the Board

To the General Meeting of Infront ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company Infront ASA (the Company), which comprise the statement of financial position as at 31 December 2020, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Infront ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.

- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of goodwill At the balance sheet date, the book value of goodwill was EUR 101 million, distributed between three different cash generating units (CGU's). The values involved are significant and constitute a major part of total assets in the balance sheet. No impairment charge was recognized for 2020. Management performs an annual impairment test by estimating the recoverable amount of goodwill. The determination of recoverable amount requires application of significant judgement by management, in particular with respect to cash flow forecasts and the applied discount rate. We focused on goodwill due to the pervasive effect of goodwill in the balance sheet and managements use of judgement in estimating recoverable amount. See note 13 and 14 in the consolidated financial statement for further explanation of managements use of judgement and impairment review.	We obtained management's impairment review. The review included documentation about how management assessed cash generating units (CGUs). We satisfied ourselves that the impairment review and the valuation model used, contained the elements required by IFRS. We tested that the impairment model performed mathematical calculations as expected. We questioned management's assumptions on future revenues and margins by comparing them to historical financial data and future budgets approved by management. We evaluated the discount rate used by management by reviewing the elements in the calculation of the discount rate against both internal and external information. In addition, we considered the impairment assessment to the offer for the shares of the company which is described in note 30. Based on our audit procedures we found management's assumptions reasonable. Finally, we considered the adequacy of Financial Statements disclosures in note 13 and 14 and found them appropriate.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except 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 in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

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 statements on Corporate Governance and Corporate Social Responsibility 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 accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 13 April 2021
PricewaterhouseCoopers AS

Jone Bauge
State Authorised Public Accountant

Infront ASA

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