

Fondia Plc Group: Financial Statement Release, 1 January – 31 December 2020 (Unaudited)

Fondia 2020: Continuity within customer relationships and improving demand in the latter part of the year were the bright spots of the exceptional year

Figures in parentheses refer to the corresponding period of the previous year, unless otherwise stated.

July – December 2020 summary:

- Net sales totalled €9.1 million (9.4), a change of -2.7 %.
- Operating profit (EBIT) was €0.2 million (0.0), and the operating margin was 2.1 % (-0.4).
- Comparable operating profit (EBIT) was €0.2 million (0.5)*. The comparable operating margin was 2.1 % (5.3).
- Profit for the period was €0.1 million (-0.1).
- Comparable profit for the period was €0.1 million (0.3)*.
- Recurring monthly invoicing accounted for 47 % (48) of net sales.
- Average number of employees (FTE) was 126 (139), a change of -9.4 %.

** Items affecting comparability have been recorded in July – December 2019, but not in July – December 2020.*

January – December 2020 summary:

- Net sales totalled €19.6 million (20.2), a change of -2.6 %.
- Operating profit (EBIT) was €1.3 million (0.6). The operating margin was 6.5 % (3.1).
- Comparable operating profit (EBIT) was €1.3 million (1.2)*. The comparable operating margin was 6.5 % (5.7).
- Profit for the period was €0.8 million (0.4).
- Comparable profit for the period was €0.8 million (0.8)*.
- Continuous monthly invoicing accounted for 45 % (45) of net sales**.
- Average number of employees (FTE) was 129 (140), a change of -7.9 %.
- Net earnings per share was €0.21 (0.09).
- The Board's dividend proposal is 0,28 per share.

** Items affecting comparability have been recorded in July – December 2019, but not in the financial year 2020.*

*** In the financial year 2020, the company has clarified its calculation method for reporting the comparative figure in order to specify the comparability of the proportion of continuous invoicing. The previously reported figure in the corresponding period was 47 %.*

KEY FIGURES

Fondia Plc Group	7-12/2020	7-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Net sales, 1000 euros	9,108	9,362	-2.7%	19,643	20,166	-2.6%
Operating profit (EBIT), 1000 euros	195	-36	-638.2%	1,273	621	105.0%
% of net sales	2.1%	-0.4 %		6.5%	3.1 %	
Comparable operating profit (EBIT)*	195	497	-60.7%	1,273	1,154	10.3%
% of net sales*	2.1%	5.3 %		6.5%	5.7 %	
Profit for the period, 1000 euros	80	-121	-166.1%	827	357	131.9%
% of net sales	0.9%	-1.3 %		4.2%	1.8 %	
Comparable profit for the period*, 1000 euros	80	326	-75.5%	827	804	2.9%
% of net sales*	0.9%	3.5 %		4.2%	4.0 %	
Net gearing %	-86.9%	-95.7		-86.9%	-95.7	
Equity ratio %	60.1%	60.1		60.1%	60.1	
Earnings (ROE) %	13.7%	5.4		13.7%	5.4	
Average number of employees, full time equivalent (FTE)	126	139	-9.4%	129	140	-7.9%
Balance sheet total, 1000 euros	10,162	10,449		10,162	10,449	
Net earnings per share, euros	0.02	-0.03		0.21	0.09	

** Comparability was affected by non-recurring expenses that strained the profit, which totalled €533 thousand in the financial year 2019. All non-recurring expenses were recorded in July-December 2019. No non-recurring expenses were recorded in the financial year 2020.*

CEO LEENA HELLFORS:

Our year 2020 was marked by the general uncertainty caused by the outbreak of the pandemic and the subsequent cautious demand for services, as a result of which our net sales decreased by 2.6 %. However, with a quick response, we adapted well to the emergency conditions and made it through with little damage. Measures to improve our efficiency and adapt our operations to the exceptional circumstances secured our top priorities for continuity – maintaining staff safety, customer retention and profitability. We also continued to implement our long-term strategy as planned, despite the challenging market conditions caused by the coronavirus pandemic. For example, we have managed to increase the average productivity of our lawyers by 8.6 % compared to the previous year.

Employee turnover in the legal sector was higher than average over the past year, as was the case at Fondia. Despite our employee turnover, we have been able to make good recruitments and actively maintain the community spirit that is important to us. The commitment of our employees and upward sales had a positive effect on the rest of our year, which strengthens our confidence in the future despite the continued pandemic. As a whole, the year was a dubious victory for us. Our legal department services, the rapid commercialisation of services, and our investments in personnel and customers have created continuity in our business, even in exceptional circumstances.

The continuous LDaaS service accounted for 45 % of the Group's net sales in this financial year, and the total invoicing of legal department customers was 70 %, which was almost in line with the comparison period. In Sweden, demand for the continuous LDaaS service has grown and accounted for 28 % of net sales during the financial period.

In the Baltics, the share of the continuous LDaaS service was 19 %. Our strategic goal is to increase the share of both the legal department service and other productised continuous services also in these new market areas.

In Sweden, towards the end of the year we saw a positive trend in our business and have been pleased to achieve some commercial successes. The new CEO, who started in the Baltics at the end of the summer, has kicked business into a new gear and recruited new experienced lawyers. The coronavirus pandemic momentarily decreased net sales in Sweden and the Baltics more than in Finland, which was mainly due to the difference in service structure compared to the Finnish business.

The permanence of customer relationships is supported by exceptionally strong customer satisfaction, which, according to our customer survey, is at a commendable level across the board. In the future, we will also invest more strongly in the productization of other continuous services, which will open up new growth opportunities for Fondia. A good example of this our Data Protection Officer (DPO) service, which was created in the last review period based on the needs of our customers. We have also invested time in developing our offering within questions related to corporate responsibility.

Continuity of our customer relationships is supported by a strong level of customer satisfaction which in accordance to our survey is on very high level. We will keep on productizing our continuous services even further, enabling growth for Fondia. As a good example of this is our DPO as a service which was brought up in accordance to customer demand during the review period. We have been further developing even the services related to responsibility as we see an increased demand on the topic as the world is in continuous change.

Even during the pandemic, we have continued to develop and invest in our technology project. The concrete outcomes are visible both in the improved customer experience as well as in smoother legal work for our lawyers. In addition to improved productivity, the automated customer on-boarding process and the further development of our document generator can be highlighted.

We have persistently kept on building a sustainable future of legal services in a thigh co-operation with our customers. Investments in technical development also enable creation of more added value to the customer when focusing our time on deep substance knowledge. With these actions, legal services are easily accessible to our customers in the changing situations.

We are facing a technological revolution in our industry, and we want to be at the forefront of building and influencing the future of our industry. The digitalisation of services is central to Fondia's strategy. With the help of technology, we increase productivity and enable the construction of a scalable business model. Technological development also enables us to generate greater added value for our customers by focusing time use on deeper substance expertise. The concrete results of our investments are reflected both in the improved client experiences and in our lawyers' work becoming easier. We can highlight the automation of our customers' onboarding process and the further development of our document generator as successes of the past year.

We will continue to build legal services of the future in close cooperation with our customers. We will continue to invest in developing the competence of our employees and in an efficient and scalable operating model that utilises technology. With these, legal services are easily and flexibly available to our customers in changing situations. We have continued our service development in

responsibility issues, the demand for which we see growing as the global situation is constantly changing.

I want to thank our employees for their flexibility and our customers for their trust in these challenging times. I believe that collaboration, which runs deep in our corporate culture, will continue to help us toward our common goals.

THE LEGAL SERVICES MARKET

The key factors influencing the legal services market are:

- Economic uncertainty caused by the coronavirus pandemic
- Emergency conditions regulation and the impact of the pandemic on the need for employment law and insolvency proceedings
- Increase in international agreements and EU regulation in particular
- The growing need for legal advice for SMEs operating without an in-house lawyer or with limited legal resources
- Growing emphasis on sustainable business development
- The opportunity brought by the outsourcing trend to offer customers a legal department as a service
- Increasing digitalisation, societal networking, increased use of platforms, and the new kind of regulation they bring

In addition to market growth, more and more companies purchasing legal services are critically reviewing the services they purchase and seeking for new ways to meet their legal needs.

Individuals purchasing legal services are increasingly demanding the following from service providers and their experts:

- Extensive business expertise beyond the field of law and multifaceted approaches and solutions
- Provision of digital and accessible services
- Proactive counselling, especially to identify and respond to growing legal obligations
- Transparent, value-based pricing based on the content and added value of the work done instead of the hourly rate

FONDIA'S STRATEGY

During the past financial year, Fondia has further worked on the practical manifestations of its strategy in customer work and operational development. As a result of this work, the company seeks to look more broadly at the possibilities of responsible business both in advising its customers and in its own operations. During the financial year, Fondia has continued to invest in line with its strategy in terms of customer, staff satisfaction and technological development. To ensure customer satisfaction, especially due to the effects of the emergency conditions, the company has strived to serve customers flexibly, both instrumentally and according to changing customer needs. In addition, the company has tailored its service offering according to customer business needs, for

example, by expanding the range of services related to data protection and introducing new products to support customers' responsibility measures.

The share savings programme, created in the financial year 2018, will continue as previously announced in the period 2020-2021 with the aim of increasing the commitment of employees to the company.

The company has continued to invest in digital development and has been granted an external funding from Business Finland after the end of the financial year. The aim of the project is to create a framework for scaling the company's business as part of the development of the service model and service processes in cooperation with research groups and business development professionals.

MEDIUM-TERM FINANCIAL OBJECTIVES AND PROFIT DISTRIBUTION POLICY

The company's medium-term goals are an annual average growth in net sales of approximately 15 % and an average operating profit margin of approximately 15 %. In accordance with the profit distribution policy, the company's goal is to distribute at least two thirds (2/3) of the company's earnings per share as dividends to shareholders. Profit distribution will take into consideration Fondia's profit development and outlook, as well as future investment needs.

FINANCIAL DEVELOPMENT

The Group's net sales in July – December 2020 were €9,108 thousand (9,361), a decrease of -2.7 % compared to the comparison period. The development of net sales in the review period was affected by the cautious attitude of customers towards purchasing services due to the coronavirus pandemic, which was reflected in the development of the company's net sales and continuous LDaaS net sales. Continuous LDaaS net sales decreased by -3.6 % in the review period. However, the share of continuous LDaaS monthly invoicing in net sales in the review period remained almost unchanged at 47 % (48). In the review period, however, net sales from individual assignments increased by +1.5 %. The moderate increase in individual assignments was related to the management of the situation caused by the pandemic.

The Group's comparable operating profit in the second half of the year was €195 thousand (497)*. Comparable operating profit decreased by -60.7 % compared to the comparison period. The comparable operating profit margin in the second half of the year was 2.1 % (5.3)*. The development of net sales and increased depreciation for the new business premises and technology project contributed to the direction of profitability in the second half of the year compared to the comparison period.

For the whole year, the Group's net sales were €19,643 thousand (20,166), down -2.6 % from the comparison period. The development of net sales reflected the cautious demand for services throughout the year due to the coronavirus pandemic. Net sales from continuous services, i.e., the LDaaS service, were €8,742 thousand (9,170)** in the financial period, decreasing by -4.7% compared to the comparison period. However, LDaaS services' share of the Group's net sales remained unchanged at 45 % (45)** during the financial year. The total net sales of LDaaS customers accounted for 70 % (71)** of the Group's net sales, almost in line with the comparison period.

As previously announced, the terms of the acquisition of Jansson & Norin AB, which was acquired by Fondia at the beginning of the financial year 2018, included an additional purchase price tied to the development of net sales of Fondia Plc's Swedish unit over the next two years, which is a maximum of approximately €0.7 million. The amount will be paid in instalments after the financial statements for the years 2018 and 2019 have been completed. The additional purchase price tied to the results of the financial year 2019 was paid, as announced on 4 June 2020, as a combination of shares and cash. The additional purchase price paid on the basis of the financial year 2019 totalled approximately €181,468, of which approximately €116,138 was paid in cash during June 2020.

The Group's comparable operating profit for the financial year was €1,273 thousand (1,154)*. Comparable operating profit increased by 10.3 % compared to the comparison period. The comparable operating profit margin during the review period was 6.5 % (5.7%)*.

The Group's consolidated balance sheet total on 31 December 2020 was €10,162 thousand (10,449).

* Comparability was affected by non-recurring expenses that strained the profit, which totalled €533 thousand in the financial year 2019. All non-recurring expenses were recorded in July-December 2019. No non-recurring expenses were recorded in the financial year 2020.

** In the financial year 2020, the company has clarified its calculation method for reporting the comparative figure in order to specify the comparability of the proportion of continuous invoicing. The previously reported continuous LDaaS service in the comparison period was €9,458 thousand, which accounted for 47 % of net sales and LDaaS customers' total invoicing accounted for 72 %.

Items affecting comparability

1000 euros	7-12/2020	7-12/2019	1-12/2020	1-12/2019
Comparable profit for period	80	326	827	804
Employee expenses		370		370
Other operating expenses		163		163
Taxes		-86		-86
Profit for period	80	-121	827	357
Comparable operating profit (EBIT)	195	497	1,273	1,154
Employee expenses		370		370
Other operating expenses		163		163
Operating profit (EBIT)	195	-36	1,273	621

PERSONNEL, MANAGEMENT AND ADMINISTRATION

Fondia continues to invest in its unique business culture and values. As a result, the company is able to attract experienced business law and industry experts. On 31 December 2020, the Group employed 149 people (163 employees on 30 December 2019), of whom 96 were lawyers.

The average number of employees (FTE) during the year was 129 (140 in 2019).

At the end of the financial year, the total number of employees in Sweden was 28, the number of employees in Finland was 117, the number of employees in Estonia was 4 and the number of employees in Lithuania was 3.

In the 2020 financial year, Fondia Group's Management Team consisted of Group CEO Leena Hellfors CFO Harri Savolainen, HR Director Wilma Laukkanen, Development Director Erkki Hyvärinen, Managing Director of Fondia Sweden Monica Söderlund, and Eneli Perolainen, Managing Director of Fondia Baltic, appointed as a new member on 15 August 2020.

The company's Board of Directors (hereafter "the Board") consists of Chairman of the Board Juha Sarsama, Vice Chairman Tuomo Lähdesmäki, and members Joséphine Mickwitz, Johan Hammarén and Laura Saulo.

SHARES AND SHAREHOLDERS

Shares issued and share capital

On 31 December 2020, there were a total of 3,946,771 (3,935,971 on 31 December 2019) Fondia shares. During the financial year, the number of shares issued by the company increased by 10,800 shares. The company's share capital at the end of the financial year 2020 was €100,000.

In 31 June 2020 the total amount of the company's shares was 3 935 971 (3 946 500 in 31 June 2019)

At the end of the financial period, Fondia did not own any of its own shares.

Trading in shares

Share closing price on the last trading day of the financial period, 31 December 2020, was €8.00. The lowest trading price for the financial period was €5.94 and the highest €10.90.

During the financial year, a total of 724,385 shares were traded. At the end of the financial period, the market value of Fondia Plc was €31.6 million.

Authorisations granted to the Board of Directors

Share issue authorisation

The Annual General Meeting (AGM) held on 27 April 2020 decided, as proposed by the Board, to authorise the Board to decide on the issue of shares as well as the issue of stock options and other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Companies Act in one or more instalments as follows:

Up to 400,000 shares (including shares issued under special rights) may be issued under this authorisation, representing approximately 10.2% of all current company shares.

The Board shall decide on the terms for issuing shares as well as on the issue of stock options and other special rights entitling to shares. Under this authorisation, both new shares and shares held by the company may be issued. New shares may be issued, and shares held by the company may be transferred either in return for payment or free of charge. The issue and transfer of shares, stock options and other special rights entitling to shares may be exempt from the shareholders' pre-

emptive subscription rights (directed offering) if there is a compelling financial reason for this from the company's point of view.

This authorisation annuls the authorisation given by the AGM on 27 March 2019. This authorisation is valid until the next AGM, but no later than 30 June 2021.

Acquisition of company shares

The AGM decided, as proposed by the Board, to authorise the Board to decide on the acquisition of company shares as follows:

The total number of company shares acquired under this authorisation may not exceed 300,000 shares, representing approximately 7.6% of all current company shares. However, the company may not, together with its subsidiaries, own and/or hold as collateral at any one time more than 10% of all company shares. Under this authorisation, company shares may only be acquired using unrestricted equity.

Company shares may be acquired at market price on the acquisition date or at the price resulting from multilateral trading.

The Board is authorised to decide on how shares will be acquired. Company shares may be acquired non-proportionally to the number of shares held by shareholders (directed acquisition) if there is a compelling financial reason for this from the company's point of view.

Company shares may be acquired to develop the company's capital structure; transferred to finance or implement possible acquisitions, investments or other business arrangements; used in the company's incentive schemes; or otherwise transferred, held or cancelled.

This authorisation annuls the authorisation given by the AGM on 27 March 2019. This authorisation is valid until the end of the next AGM, but no later than 30 June 2021.

Employee share savings programme

As previously announced, the Board decided on 28 November 2018 to introduce a share savings programme for the entire Group's permanent employees and announced on 19 December 2019 the Board's decision to extend the programme for the period 2020-2021. The purpose of the share savings programme is to offer the Group's employees the opportunity to save a part of their regular salary for the acquisition of company shares on favourable terms by issuing additional shares free of charge to the employees participating in the programme. By encouraging employees to acquire and own shares in the company, the company seeks to strengthen the relationship between Fondia's employees and shareholders. The aim of the programme is to promote employee motivation and commitment to the company's operations. The Board believes that the programme will have a positive impact on the Group's future development and that the programme is in the interest of both shareholders and employees.

The shares are acquired with the accumulated savings twice a year at market price after the publication of the company's half year report and financial statement. According to the terms of the share savings programme, the company's Board decides on the method for acquiring savings shares.

Each participant will receive one additional share (before taxes) from the company free of charge for every two savings shares acquired. Additional shares will be issued to a participant if he or she owns

the savings shares acquired during the savings period and his or her employment contract is valid until the end of the ownership period on 28 February 2023. The additional shares will be paid in both company shares and cash. The purpose of the cash contribution is to cover taxes and parafiscal charges incurred by the participant.

The intention is that the Board will later decide on the share issues, based on the authorisation of the AGM, in which the shares to be acquired with the accumulated savings will be subscribed. The Board's decisions on share issues will be made after the publication of the company's half year and annual reports for 2019. The additional shares to be issued are to be acquired on the market at market price.

Shareholders

At the end of the financial year 2020, Fondia had 3 247 (3 416) owners.

ANNUAL GENERAL MEETING 27.4.2020

Fondia's AGM was held in Helsinki on 27 April 2020. The AGM confirmed the company's financial statements for the financial year 2019 and discharged the Board and CEO from liability for the financial year 1 January to 31 December 2019.

The AGM decided, as proposed by the Board, that a dividend of €0.26 per share is to be paid from the parent company's distributable funds.

As proposed by shareholders representing more than 43% of the company's shares and votes, the AGM decided to pay the following remuneration to the Board members: €3,000 per month to the Chairman, €2,500 per month to the Vice Chairman and €1,500 per month to the other Board members.

Travel expenses are reimbursed according to the maximum amount of travel allowance established by the Finnish Tax Administration.

As proposed by shareholders representing more than 43% of the company's shares and votes, the AGM confirmed the number of Board members as five. Johan Hammarén, Tuomo Lähdesmäki, Joséphine Mickwitz, Juha Sarsama and Laura Saulo were re-elected as Board members. The Board's term of office ends at the end of the 2020 AGM.

As proposed by the Board, the AGM re-appointed Revico Grant Thornton Ltd as the company's auditor, with Peter Åhman, Authorized Public Accountant, continuing as the principal auditor.

In addition, the AGM authorised the Board to decide on the issue of new shares and/or the surrender of company shares in one or more instalments and on the repurchase of company shares in one or more instalments. Authorisations granted to the Board are described in more detail under 'Shares and shareholders'.

Organisation of the Board of Directors

The Board re-elected Juha Sarsama as Chairman of the Board and Tuomo Lähdesmäki as Vice Chairman at a Board organisation meeting held after the AGM.

The Board assessed the independence of its members at the meeting in accordance with the Finnish Corporate Governance Code and found that Juha Sarsama, Tuomo Lähdesmäki, Johan Hammarén, Joséphine Mickwitz, and Lara Saulo are independent of the company and that Juha Sarsama, Tuomo Lähdesmäki, Joséphine Mickwitz, and Lara Saulo are independent of the company's major shareholders.

RISKS AND BUSINESS UNCERTAINTIES

Short-term uncertainties relate in particular to the development of the coronavirus pandemic and its effects on the market in general. Due to the nature of the professional services business, the company considers issues related to the safety of its employees to be a risk factor during the pandemic and makes every effort to promote the safety of employees during this exceptional period. The company does not believe that the risk of credit losses has increased significantly due to the pandemic.

Company-specific, long-term uncertainties continue to relate to how well the company succeeds in recruiting, motivating and retaining skilled employees. Sweden's successful profitable growth is also a factor of uncertainty for the near future. The company will continue to take measures in accordance with its growth strategy and, if necessary, adjust its operations as the exceptional circumstances continue. The company's management has also assessed that Fondia is dependent on its information systems and that shortcomings, disturbances or problems in IT systems may adversely affect business.

BOARD OF DIRECTORS' DIVIDEND PROPOSAL

Fondia's Board proposes to the AGM to be held on 18 March 2021 that a dividend of € 0,28 per share be paid for the financial year that ended on 31 December 2020. The parent company's distributable funds at the end of the financial year were €9,243,641.49, of which €1,667,056.05 was profit for the financial year.

FINANCIAL STATEMENT ACCOUNTING PRINCIPLES

The financial statement and financial statement release have been prepared in accordance with good accounting practice and Finnish legislation. The figures for financial years 2019 and 2020 presented in the release are based on the company's audited financial statements and have been prepared in accordance with national legislation (FAS). The information is presented to the extent required by the First North regulations in section 4.4 (e). The figures included in the report have been rounded from raw figures.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The company has no significant events that deviate from normal business operations to report after the end of the review period.

FINANCIAL INFORMATION 2021

The financial statement and the Board report will be published on the company's website no later than 25 February 2021. The AGM will be held on 18 March 2021 at 10:00. The half year financial report January – June 2021 will be published on 26 August 2021. An unofficial translation of the half year financial report and financial statement release will be published in English in the form of a press release.

In addition to the financial statement release and half year financial report, business reviews will be published after the first and third quarter on 23 April 2021 and 29 October 2021, respectively.

CONSOLIDATED INCOME STATEMENT

1000 euros	7–12/2020	7–12/2019	Change, %	1–12/2020	1–12/2019	Change, %
Net sales	9,108	9,362	-2.7%	19,643	20,166	-2.6%
Other operating income	90	72	25.3%	173	147	18.1%
Materials and services	-255	-234	9.2%	-584	-593	-1.4%
Employee expenses	-6,102	-6,728	-9.3%	-12,817	-13,797	-7.1%
Depreciation and impairment	-396	-204	93.8%	-659	-527	25.1%
Other operating expenses	-2,249	-2,304	-2.4%	-4,484	-4,775	-6.1%
Operating profit	195	-36	-638.2%	1,273	621	105.0%
Net financial income and expenses	-5	9	-149.2%	-16	-6	181.0%
Profit before appropriations and taxes	190	-27	-810.4%	1,257	615	104.3%
Income taxes	-111	-94	17.6%	-430	-259	66.2%
Profit for period	80	-121	-166.1%	827	357	131.9%

CONSOLIDATED BALANCE SHEET

1000 euros	31.12.2020	31.12.2019
ASSETS		
Non-current assets		
Intangible assets		
Consolidated goodwill	1,418	1,591
Other non-current expenses	636	323
Tangible assets	329	158
Non-current assets total	2,383	2,072
Current assets		
Non-current receivables		
Loans	0	0
Other receivables	9	13
Current receivables		

Loans	0	23
Trade receivables	2,078	2,142
Other receivables	19	22
Prepayments and accrued income	465	336
Cash and cash equivalents	5,206	5,841
Current assets total	7,779	8,377
ASSETS TOTAL	10,162	10,449
LIABILITIES		
Equity		
Share capital	100	100
Fund for invested unrestricted capital	3,688	3,605
Profit for previous financial years (-loss)	1,365	2,032
Profit for period (-loss)	827	357
Translation differences	14	9
Equity total	5,994	6,103
Foreign equity		
Non-current		
Other loans	0	0
Current		
Advance payments	192	288
Trade payables	903	434
Other payables	1,086	1,417
Accrued liabilities	1,987	2,207
Foreign equity total	4,168	4,346
LIABILITIES TOTAL	10,162	10,449

CHANGES IN EQUITY

1000 euros	Share capital	Fund for invested unrestricted equity	Profit (loss) for previous accounting periods	Profit (loss) for period	Translation differences	Total
Equity 1.1.2020	100	3,605	2,389		9	6,103
Directed offering		83				83
Dividend distribution			-1,023			-1,023
Profit/loss for period				827		827
Change in translation difference					5	5
Equity 31.12.2020	100	3,688	1,365	827	14	5,994

Equity 1.1.2019	100	3,528	3,486		14	7,128
Directed offering		77				77
Dividend distribution			-1 454			-1 454
Profit/loss for period				357		357
Change in translation difference					-4	-4
Equity 31.12.2019	100	3,605	2,032	357	9	6,103

CONSOLIDATED STATEMENT OF CASH FLOWS

1000 euros	1–12/2020	1–12/2019
Cash flow from operating activities		
Profit (-loss) before appropriations and taxes	1,257	615
Planned depreciations	659	527
Unrealised exchange rate gains and losses	-3	-10
Financial income and expenses	16	6
Cash flow before change in working capital	1,929	1,138
Change in working capital:		
Increase (-) / decrease (+) in current non-interest-bearing receivables	-44	194
Increase (+) / decrease (-) of current non-interest-bearing liabilities	-24	-78
Cash flow from operating activities before financial items and taxes	1,860	1,254
Interest paid and other financial income	-15	-12
Received interest and other financial income	8	13
Direct taxes paid	-446	-311
Cash flow from operating activities (A)	1,406	943
Cash flow from investing activities:		
Investments in intangible and tangible assets	-1,035	-372
Capital gains on intangible and tangible assets	2	1
Funding for intangible assets	90	
Acquired subsidiary shares	0	0
Loan payment	0	0
Repayment of loan receivables	23	76
Cash flow from investing activities (B)	-919	-296
Cash flow from financing activities		

Issue of shares	17	0
Acquisition of own shares	0	0
Repayment of loans	-116	-136
Dividend distribution	-1,023	-1,454
Long-term rental guarantee	0	0
Cash flow from financing activities (C)	-1,122	-1,590
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-635	-943
Cash and cash equivalents at the beginning of period	5,841	6,785
Cash and cash equivalents at the end of period	5,206	5,841
Change in cash and cash equivalents increase (+) / decrease (-)	-635	-943

CALCULATION OF KEY FIGURES

Operating profit (EBIT)	=	Net sales + other operating income – materials and services – employee expenses – other operating expenses – depreciation and impairment	
Operating profit as % of net sales	=	$\frac{\text{Operating profit}}{\text{Net sales}}$	x 100
Profit for period as % of net sales	=	$\frac{\text{Profit for period}}{\text{Net sales}}$	x 100
Equity ratio, %	=	$\frac{\text{Equity + minority interest}}{\text{Balance sheet total – advances received}}$	x 100
Earnings (ROE), %	=	$\frac{\text{Profit after financing rounds – income taxes}}{\text{Equity + minority interest (on average during the year)}}$	x 100
Net gearing, %	=	$\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Equity + minority interest}}$	x 100

PRESS AND ANALYST CONFERENCE

Fondia will publish its financial statement for January to December 2020 on Thursday 18 February 2021 at 08:00. A press and analyst conference will be held in Finnish on the same day at 13:00 at Fondia's headquarters at Aleksanterinkatu 11, Helsinki. The report will be presented by CEO Leena Hellfors. You can watch a livestream of the presentation at <https://fondia.videosync.fi/2020-q4-results>

The livestream recording and presentation materials will be published later at <http://www.fondia.fi/sijoittajille>.

Helsinki, 18 February 2021

Fondia Plc Board of Directors

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FONDIA IN BRIEF

Fondia is a full-service business law firm that offers new service models and utilises digital technologies. Fondia operates in Finland, Sweden, Estonia and Lithuania, and the Group's net sales in 2020 were approximately €19.6 million. Fondia employs approximately 150 people.

www.fondia.com

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