

Fondia Plc. Group: Financial statement 1.1.–31.12.2018 (unaudited)

This document is an unaudited and unofficial translation and is not meant as a comprehensive description.

FONDIA'S REVENUE INCREASED BY 15.9 % DUE TO GOOD DEMAND FOR LDAAS SERVICE

Unless otherwise stated, the figures in parentheses refer to the corresponding period of the previous year. Jansson & Norin AB, acquired by Fondia during the financial period is reported as a part of Fondia as from 1.2.2018.

July–December 2018 in brief:

- Net sales of 9.5 million (8.6), growth 10.7 %.
- Operating profit (EBIT) was 0.5 million (1.1), change -54.7 %. Operating margin was 5.5 % (13.3).
- Profit for the period was 0.4 million (0.9), change -59.1 %.
- Recurring monthly invoicing accounted for 49 % of net sales (46).
- Expenses affecting the comparability were not recorded in July-December 2018 nor July-December 2017.

January–December 2018 in brief:

- Net sales of 20.2 million (17.5), growth +15.9 %.
- Comparable operating profit was 2.1 million (2.5), change -15.9 %. Comparable operating profit margin was 10.6 %.
- Operating profit (EBIT) was 2.1 million (2.3), change -6.8 %. Operating profit margin was 10.6 % (13.1).
- Comparable profit for the period was 1.6 million (2.0), change -17.3 %.
- Profit for the period was 1.6 million (1.5), change +8.2%.
- Recurring monthly invoicing accounted for 45 % of net sales (45).
- Net earnings per share € 0.41 (0.39).
- Proposal for dividend distribution by the Board of Directors is € 0.37 (0,35) per share.
- In January Fondia acquired the entire share capital of Swedish law firm Jansson & Norin AB and the company has been reported as part of Fondia as from 1.2.2018. The integration of Swedish business operations is proceeding as planned.

KEY FIGURES

Fondia Group Plc	7-12/2018	7-12/2017	Change, %	1-12/2018	1-12/2017	Change, %
Net sales, 1 000 euros	9 548	8 622	10.7 %	20 244	17 462	15.9 %
Operating profit (EBIT), 1 000 euros	521	1 150	-54.7 %	2 138	2 295	-6.8 %
% of net sales	5.5 %	13.3		10.6 %	13.1 %	
Comparable operating profit (EBIT)*	521	1 150	-54.7 %	2 138	2 542	-15.9 %
% of net sales*	5.5 %	13.3		10.6 %	14.6 %	
Profit for the period, 1 000 euros	357	872	-59.1 %	1 618	1 494	8.2 %
% of net sales	3.7 %	10.1		8.0 %	8.6 %	

Comparable profit for the period*, 1 000 euros	357	872	-59,1 %	1 618	1 957	-17,3 %
% of net sales*	3.7 %	10.1		8.0 %	11.2	
Net gearing %	-95.2	-109.1		-95.2	-109.1	
Equity ratio %	58.7	63.8		58.7	63.8	
Earnings (ROE) %	23.6	31.4		23.6	31.4	
Number of personnel, average	156	120		149	118	
Balance sheet total, 1 000 euros	12 153	10 345		12 153	10 345	
Net earnings per share, euros	0.09	0.22		0.41	0.39	

* * Comparable profit for the period was affected by expenses associated with the First North listing in the financial year 2017, which totalled €570 thousand. Of the non-recurring listing expenses, €324 thousand was attributed to financial expenses and €247 thousand to personnel and other expenses. The expenses were recorded in January-june 2017.

FONDIA'S CEO, LEENA HELLFORS

“During the financial year, Fondia's net sales grew by 15.9%, which is a result of continued good demand for our recurring LDaaS (Legal department as a service) service in Finland and especially in Sweden. I am very pleased that we, with continued good demand for LDaaS service managed to recruit numerous new lawyers to support Fondia's growth target. The number of our employees increased by 29% due to both the Swedish acquisition and active recruitment. This contributed to the development of our profitability towards the end of the year, as new lawyers were not able to get on the customer work at full capacity. Recruitment is an important factor for our future growth. The Swedish business is in a strong growth phase and its profitability level was not yet in line with the medium-term objectives. Comparable operating profit fell short of the previous year. The invoicing of project based assignments was also stronger at the beginning of the year than at the end of the year.

In order to respond to the growth in demand for our LDaaS service and to accelerate internationalization, Fondia acquired the Swedish law firm Jansson & Norin AB in the beginning of the year. LDaaS is also a unique service concept on the Swedish market and it has been welcomed warmly by the customers. Over the past year, Fondia has focused on the integration of a corporate acquisition, which has started well due to the similarity of corporate cultures. The demand for LDaaS Legal Department service has good growth potential also in the Baltic region. After the end of the financial year, Fondia strengthened its position in these markets and opened a new office in Vilnius, Lithuania, in addition to the Tallinn office opened a few years ago.

For the third time, Fondia was nominated as one of Europe's most innovative law firms, as LDaaS and MyFondia services were awarded in London at the FT Innovative Lawyers Award in October. Fondia ranked third and highest of the nominated Nordic firms. Based on the research results, there is also a demand for an innovative and transparent service model which Fondia represents, both in Finland and Sweden. This was evidenced by the results of a study on the purchase of legal services carried out by Fondia in the summer of 2018. Behind Fondia's success is a strategy that combines the continuous legal service business model LDaaS and MyFondia's digital working environment. We will continue to provide our customers with the predictable costs, better communication, and clarity in purchasing the service.

In the center of Fondia's operations are our experienced lawyers and our skillful staff. Our aim is to further promote our personnels' motivation and commitment to the company's operations. Hence, the Fondia Board of Directors decided to start a share savings plan, open to all the personnel at the company. We believe that the plan will have a positive impact on the group's development in the future. Fondia has even invested in

many ways in the personnel's expertise serving the operational needs. Strong emphasis has been on understanding the legal and business impact of digitalisation. We will continue to concentrate on the development of the expertise serving our customers' needs and want to be a forerunner in the legal services in exploiting digital solutions even in our own business.

As a new CEO I am pleased to see what all Fondia has achieved and how inspiring atmosphere prevails in our company. From the very beginning, Fondia's success has been based on a strong, shared vision of a different way to provide traditional services. I would like to pursue this vision with determination with the Fondians, bringing forth our solid expertise, spiced by joy and enthusiasm. I would like to thank Fondia's customers for their trust and our staff for the commitment during 2018. "

LEGAL SERVICES MARKET

The company operates in the legal services market, which consists of two parts: corporate lawyers employed by companies and law firms and other legal service providers. In 2017, the legal services market for law firms and other legal service providers grew to approximately EUR 879 million (approximately EUR 846 million in 2016).

The key growth drivers for the legal services market include:

- Increasing amount of international agreements and increase in EU regulation
- The growing need for legal advice for SMEs without their own lawyer or with limited legal resources
- Outsourcing trend providing the opportunity to provide customers with a legal department as a service
- Growing level of digitalisation in all industries, creating new needs for legislation and law application (such as data breach or privacy issues)

In addition to market growth, a growing number of companies are critically looking at the legal services purchased by them and are trying to find new ways and models to meet their legal needs.

People who buy legal services are increasingly demanding from companies providing services and their experts:

- Extensive, business expertise beyond the traditional legal advisory and multifaceted ways of approach and solutions
- Knowledge of digitalisation and new technologies and deployment of these in the production of legal services
- Proactive advice, especially to identify and respond to growing legislative obligations
- Transparent, value-based pricing, based on content and added value of the work instead of hourly billing

FONDIA'S STRATEGY

The cornerstone of Fondia's strategy is the continuous service business model, which allows all the daily business law needs of a customer company to be produced as a service for companies. Alongside this LDaaS (Legal Department as a Service) service, individual assignment services and project services (such as mergers

and acquisitions and dispute resolution) are produced for both legal department customers and other customers. This provides customers with the opportunity to efficiently procure all business law services from one service provider.

Fondia's strategy is also supported by the MyFondia platform, which is a digital working environment developed by Fondia intended for internal collaborative working as well as cooperation and communication between Fondia's lawyers and their customers. The goal is that the customer can see the service entity, completed and pending assignments and projects, communicate easily with a team of experts, approve actions and deliverables, and manage the use of legal services resources through a dynamic legal service plan.

Fondia wants to be the best workplace in the field of business law.

Strategic actions

At the beginning of the year, Fondia strengthened its position in Sweden by acquiring the entire share capital of Jansson & Norin AB (J&N). The acquisition is based on Fondia Oyj's growth and internationalization strategy. In 2017, J&N had a turnover of € 1.4 million and employed 21 people. J&N has been reported as part of Fondia as from 1 February 2018.

The purchase price was approximately €1.6 million, of which approximately €1.3 million was paid in cash and the remainder in the shares of Fondia Plc. The shares are subject to a transfer restriction, which applies to 50% of the shares until 31 July 2018 and to the remaining shares until 31 January 2019.

An additional purchase price of up to €0.7 million, which is tied to the development of net sales in Sweden over the next two years, was linked to the terms of the transaction. The potential additional purchase price will be paid in both shares and cash and across several instalments after the financial statements for the years 2018 and 2019 have been completed. The company records amortisation affecting its result, which is approximately €19,900 a month. The goodwill value on 31.12.2018 was 2.2 million.

Fondia has also continued to recruit in all countries to ensure the future growth conditions. The company has continuously invested in IT development, with MyFondia development as a priority. After the acquisition in Sweden, the company has improved and invested in the development of Swedish IT infrastructure as part of the integration. To commit our employees, we created a share saving program, which we hope will increase the commitment of our employees.

MEDIUM-TERM FINANCIAL OBJECTIVES AND PROFIT DISTRIBUTION POLICY

Company's medium-term targets are an yearly increase of approx. 15 % in revenue and operation profit margin of approx. 15%. In accordance to company's profit distribution policy, company's objective is to distribute at least two-thirds (2/3) of the Company's earnings per share as dividends to shareholders. The profit distribution will take into account, among other things, the financial performance and outlook of Fondia as well as future investment needs.

FINANCIAL PERFORMANCE

The Group's net sales were € 9 548 thousand in July – December 2018 (8 622). Net sales increased by 10.7 % compared with the corresponding period in 2017. The biggest factor affecting net sales was the increase in the number and volume of customers. The increase in the net sales was even supported by the new LDaaS customers in Sweden. The steady growth in LDaaS revenue continued on the second half of the year, while the increase in the project operations decelerated compared with the year before. Project assignment operations are characterized by varying from one period to another.

The group operating profit on the second half of the year was € 521 thousand (1 150). The operating profit decreased by 54.7 % compared with the second year half in 2017. The operating profit margin on the second year half was 5.5 % (13.3 %). The development of the profitability was affected by the numerous recruitments done during the year. All new lawyers were not able to get on the customer work with full capacity. Thus, the average efficiency in billing decreased slightly. The recruitments are of significant importance for the future growth. We are also in a strong growth phase in Sweden and the profitability is not in accordance with the mid-term objectives. On the second year half also more of the integration related costs were recorded, i.e costs associated to IT integrations. In addition to this, the costs related to the development of the share saving plan were recorded on the second year half. In consequence to the acquisition a depreciation of goodwill with an approximate of € 220 thousand was recorded.

In July–December 2018 profit for the period was €357 thousand (872). Expenses affecting the profitability were not recorded in July- December 2018 nor July-December 2017.

In January–December 2018 net sales were €20 244 thousand and growth was 15.9 %. The increase in net sales was affected by the increasing number of customers and new LDaaS customers. The number of LDaaS customers was delightfully increasing also in Sweden. In Sweden we gained 21 new LDaaS customers.

In January-December 2018 the comparable operating profit was € 2 138 thousand (2 542) and the change was -15.9 % in comparison to the operating profit in 2017. The comparable operating profit margin was 10.6 % (14.6 %). The comparability was affected by the non-recurring expenses associated with the First North listing, € 247 thousand recorded under personnel and other expenses under the financial period 2017. In January-December 2018 the operating profit was € 2 138 thousand and the change in the operating profit was -6.8 % compared to the year before. The operating profit margin was 10.6 % (13.1 %).

In January- December 2018 the comparable profit was € 1 618 thousand (1 957) and the change was -17.3 %. The comparability was affected by expenses associated with the First North listing, which totaled €570 thousand. Of these nonrecurring listing expenses, €324 thousand has been recorded under financial expenses and €247 thousand under personnel and other expenses. The result for the financial period 2018 was €1 618 thousand (1 494) and the change was +8.2 %.

Group's consolidated balance sheet total was on 31 December 2018 € 12 153 thousand (10 345).

Expenses affecting the comparability

1 000 euros	7-12/2018	7-12/2017	1-12/2018	1-12/2017
Comparable profit for the period	357	872	1 618	1 957
Financial expenses related to the listing				-324
Personnel and other expenses related to the				-247

listing				
Taxes				108
Profit for the period	357	872	1 618	1 494
Comparable operating profit (EBIT)	521	1 150	2 138	2 542
Personnel and other expenses related to the listing				-247
Operating profit (EBIT)	521	1 150	2 138	2 295

PERSONNEL, MANAGEMENT AND ADMINISTRATION

Fondia continues to invest in its unique corporate culture and values. As a result, the company will be able to attract experienced business law and industry experts into its ranks in the future. On 31 December 2018, the Group employed a total of 163 people of whom 111 were lawyers. The number of employees increased by 29% compared to the end of the year 2017 when the company employed 126 people. The average number of employees during the year was 149 (118). In the end of the financial period, the number of employees in Sweden was 33, in Finland 124 and in Estonia 6 people.

The CEO of the company, M.Sc. (Econ.) Salla Vainio left her position on 18 October 2018 and M.Sc. (Tech.) Leena Hellfors was appointed as the new CEO. Hellfors started in her position on 3 January 2019. During the period of 18 October 2018 – 2 January 2019, the chief financial officer and member of the management team, M.Sc (Econ.) Kirsi Untala acted as the interim CEO of the company.

The Fondia Group management team consisted of CEO Salla Vainio (until 18 October 2018), team leaders Erkki Hyvärinen, Pirjo Valtanen, Petri Ruisaho, Timo Tuuli, Bradley Mitchell and Susanne Mattsson sekä CFO Kirsi Untala, Talent Director Wilma Laukkanen and Managing Director of the Swedish subsidiary Fondia Legal Services AB Managing Director Niclas Gottlieb. The CFO and Swedish Managing Director will change during the spring.

The Board of Directors consisted of Chairman of the Board Juha Sarsama, Vice Chairman Tuomo Lähdesmäki, and members Joséphine Mickwitz, Johan Hammarén, Marianne Saarikko-Janson until 15 March 2018 and Lara Saulo as from 15 March 2018.

SHARES AND SHAREHOLDERS

Shares issued and share capital

On 31 December 2018, the number of shares in the company totalled 3 930 035. The average number of shares issued between 1 January and 31 December 2018 was 3 926 891 shares (3 808 372 shares on financial period 1.1.–31.12.2017). The share capital of the company was € 100 000 in the end of the accounting period.

At the end of the accounting period, Fondia did not hold any of its own shares

Trading with the company's shares

Closing price on the last day of trading in the review period (31 December 2018) was 12.85 euros. The lowest trading price for the review period was 11.5 euros and the highest 14.45 euros. During the financial period 318 671 shares were traded. At the end of the accounting period, the market value of Fondia Plc was € 50.5 million.

Authorizations granted to the Board of Directors

Authorization on issue of new shares

The Annual General Meeting held on 15 March 2018 granted, in accordance to the Board's proposal an authorization to the Board of Directors to decide on issue of shares as well as options and other special rights referred to in chapter 10, section 1 of the Finnish Limited Liability Companies Act, in one or several instalments in accordance to the following;

A maximum of 400 000 shares can be issued under the authorization (taking into account the shares issued based on the special rights) which corresponds to approximately 10.2 % of the current total number of the company's shares.

The Board of Directors decides on the conditions on the share issue and the conditions for options and special rights entitling to shares. Based on the authorization both new and treasury shares can be issued. New shares or treasury shares can be issued against or without competition. Shares and stock options and other special rights entitling to shares may be deviated from the shareholders' pre-emptive right (directed issue) if there is a compelling financial reason for the company.

The authorization overrules the authorization given by the Annual General Meeting on 16 February 2017. The authorization is valid until the next Annual General Meeting, however no longer than until 30 June 2019.

Acquisition of own shares

The Annual General Meeting authorized the Board of Directors to acquire the company's own shares in accordance to following:

Up to 300,000 shares (including shares issued under special rights) may be acquired under this authorisation, representing approximately 7.6% of all current company shares. However, the company cannot together with its subsidiaries own or pledge at any time more than 10% of the company's total number of shares. Own shares can be acquired with unrestricted equity only.

Own shares can be acquired at the price of multilateral trading at the date of acquisition or otherwise at market price.

The Board decides how the shares can be acquired. Own shares may be repurchased otherwise than in proportion to the shares held by the shareholders (directed acquisition) if there is a compelling financial reason for the company.

Own shares may be acquired for the purpose of developing the capital structure of the company, for the purpose of financing or implementing potential acquisitions, investments or other arrangements within the Company's business, for use in the Company's incentive schemes or otherwise to be transferred, held or canceled.

The authorization overrules the authorization given by the Annual General Meeting on 16 February 2017. The authorization is valid until the next Annual General Meeting, however no longer than until 30 June 2019.

Employee share saving plan

On 28 November 2018, the Board of Directors decided to introduce a share saving plan for the entire permanent Group personnel. The purpose of the Share Savings Plan is to provide Group personnel with the opportunity to save part of their regular salary for the acquisition of the Company's shares on favorable terms by providing additional shares without compensation to the employees participating in the Share Savings Plan. By encouraging employees to acquire and own shares in the company, the company aims to strengthen the relationship between Fondia's shareholders and employees. The aim is to promote employee motivation and commitment to the company's operations. The Board of Directors believes that the program will have a positive impact on the future development of the Group and that the plan is in the interest of both shareholders and employees.

The shares will be acquired with accumulated savings twice a year, following the publication of the company's semi-annual report and financial statements release at market prices. Each participant receives one additional share (before taxes) from the company free of charge for each of the two savings' shares acquired. The additional shares will be given to the participant if he or she owns the savings shares acquired during the savings period 1.3.2019-29.2.2020 and his / her employment is valid until the end of the ownership period. The additional shares are paid partly in the company's shares and partly in cash. The purpose of the cash contribution is to cover the taxes and tax-related charges incurred for the participant.

The intention is that the Board of Directors later decides on the basis of the authorization of the Annual General Meeting for share issues in which the shares acquired with accumulated savings are subscribed. The Board of Directors' decisions on share issues are made after the Company's half-yearly and annual reports 2019 have been published. The additional shares to be issued are intended to be acquired from the market at market price.

Shareholders

The total number of shareholders was 3 602 in the end of the financial period 2018.

ANNUAL GENERAL MEETING 15.3.2018

The company's Annual General Meeting was held in Helsinki on 15 March 2018. The Annual General Meeting approved the company's financial statements for the financial year 2017 and discharged the Board of Directors and the President and CEO from liability for the financial year 1.1.-31.12.2017

In accordance with the proposal of the Board of Directors, the Annual General Meeting decided that a dividend of EUR 0.35 per share would be paid from the distributable funds of the parent company.

According to the proposal of the shareholders representing more than 43% of the company's shares and votes, the Annual General Meeting decided that the following remuneration will be paid to the members of the Board: EUR 2,500 per month for the Chairman of the Board, EUR 2,500 per month for the Vice Chairman of the Board, and EUR 1,500 per month for the other members of the Board.

Travel expenses will be reimbursed in accordance with the maximum amount of the travel reimbursement fee fixed by the Tax Administration.

According to the proposal of the shareholders representing more than 43% of the company's shares and votes, the Annual General Meeting decided that the Board of Directors shall consist of 5 members. Johan

Hammarén, Tuomo Lähdesmäki, Joséphine Mickwitz and Juha Sarsama were re-elected as board members and Lara Saulo was elected as a new board member. The Board's term of office expires at the end of the 2019 Annual General Meeting.

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that the Revico Grant Thornton Oy was re-elected as the company's auditor, and that Peter Åhman, Authorized Public Accountant, will continue as the principal auditor.

In addition, the Annual General Meeting authorized the Board of Directors to decide on the issuance of new shares and / or the transfer of treasury shares in one or more instalments and to acquire the company's own shares in one or more instalments. The authorizations given to the Board of Directors are described in more detail in the section "Shares and Shareholders".

Organization of the Board

At its organization meeting held after the Annual General Meeting, the Board of Directors elected Juha Sarsama as Chairman of the Board and Tuomo Lähdesmäki as Vice Chairman.

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

RISKS AND UNCERTAINTIES

Short-term uncertainties are related to how well the company manages to recruit, motivate and retain skilled personnel. The success of Swedish integration is also a factor of uncertainty in the near future. In addition, while the financial targets have so far been achieved, there is no guarantee that profitable growth will take place at an earlier level. In addition, the management of the company estimates that Fondia is dependent on its information systems and that deficiencies, malfunctions or failures in IT systems can adversely affect business.

BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF PROFITS

Fondia's Board of Directors proposes to the Annual General Meeting on 27 March 2019 a dividend of €0.37 per share to be distributed for the fiscal year ended on 31 December 2018.

The parent company's distributable funds at the end of the financial year were 8 925 820.84 euros, of which the profit for the accounting period was 1 921 651.34 euros

ACCOUNTING POLICIES OF FINANCIAL STATEMENT

The financial statement and the financial statement release have been prepared in accordance with good accounting practice and Finnish legislation. The figures for the entire financial year 2017 and 2018 presented in the release are based on the company's audited financial statements and are prepared in accordance with national legislation (FAS). The information is presented to the extent required by Section 4.4 (e) of the First North Rules. The figures shown are rounded of exact figures.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The company does not have any other significant events that deviate from normal business after the review period.

FINANCIAL REPORTING INFORMATION 2019

Financial statement and the Board' annual report will be published by latest on 6 March 2019 on company's website. The annual general meeting will be held on 27 March 2019 at 11.00. The half-year report January-June 2019 will be published on 30 August 2019. An unofficial translation on the half-year report and financial statement in English will be published as a press release.

CONSOLIDATED INCOME STATEMENT

1 000 euroS	7-12/2018	7-12/2017	Change, %	1-12/2018	1-12/2017	Change, %
Net sales	9 548	8 622	10.7	20 244	17 462	15.9
Other operating income	106	48	123.1	156	91	71.1
Materials and services	-330	-364	-9.5	-627	-680	-7.8
Personnel expenses	-6 090	-5 238	16.3	-12 621	-10 672	18.3
Depreciation and impairment	-270	-107	152.9	-505	-213	137.5
Other operating expenses	-2 445	-1 811	35.0	-4 508	-3 693	22.1
Operating profit	521	1 150	-54.7	2 138	2 295	-6.8
Net financial income and expenses	-2	-11	-79.7	-22	-339	-93.6
Profit before appropriations and taxes	518	1 139	-54.5	2 116	1 956	8.2
Income taxes	-161	-267	-39.5	-499	-462	8.0
Profit for period	357	872	-59.1	1 618	1 494	8.2

CONSOLIDATED BALANCE SHEET

1000 euros	31.12.2018	31.12.2017
ASSETS		
Non-current assets		
Intangible assets		
Goodwill on consolidation	2 166	0
Other capitalised longterm expenditure	242	198
Tangible assets	197	89
Non-current assets in total	2 605	288

Current assets		
Long-term receivables		
Loan receivables	8	115
Other receivables	11	9
Short-term receivables		
Loan receivables	91	84
Accounts receivables	2 357	2 354
Other receivables	23	40
Prepayments and accrued income	273	256
Cash and cash equivalents	6 785	7 198
Current assets total	9 548	10 057
ASSETS TOTAL	12 153	10 345
EQUITY AND LIABILITIES		
Equity		
Share capital	100	100
Fund for invested unrestricted equity	3 528	3 234
Profit for previous financial years (loss)	1 869	1 750
Profit for period (-loss)	1 618	1 494
Translation differences	14	19
Equity total	7 128	6 598
Liabilities		
Non-current		
Other payables	535	0
Current		
Advance payments	0	10
Accounts payable	1 017	380
Other payables	1 371	974
Accruals and deferred income	2 103	2 382
Liabilities in total	5 025	3 747
EQUITY AND LIABILITIES TOTAL	12 153	10 345

CHANGES IN EQUITY

1 000 euros	Share capital	Invested unrestricted equity	Profit for the previous financial years (loss)	Profit for the period (loss)	Transl. diff	Total
Equity 1.1.2018	100	3 234	3 244		19	6 598
Private offering		294				294

Divident distribution			-1 376			-1 376
Profit/loss for period				1 618		1 618
Change in translation difference					-6	-6
Equity 31.12.2018	100	3 528	1 869	1 618	14	7 128

Equity 1.1.2017	100	307	2 499	0	19	2 926
Initial public offering		2 927				2 927
Divident distribution			-750			-750
Profit/loss for period				1 494		1 494
Change in translation difference					0	0
Equity 31.12.2017	100	3 234	1 750	1 494	19	6 598

CONSOLIDATED STATEMENT OF CASH FLOWS

1 000 euros	1-12/2018	1-12/2017
Cash flow from operating activities		
Profit (-loss) before extraordinary items	2 116	1 956
Planned depreciation	505	213
Unrealised exchange rate gains and losses	-13	-11
Financial income and expenses	22	339
Cash flow before change in working capital	2 630	2 497
Change in working capital:		
Increase (-) / decrease (+) in current non-interest-bearing receivables	249	-398
Increase (+) / decrease (-) of current non-interest-bearing liabilities	241	497
Cash flow from operating activities before financial items and taxes	3 120	2 595
Interest paid and other financial expenses	-16	-333
Received interest and other financial income	3	6
Direct taxes paid	-597	-473
Cash flow from operating activities (A)	2 510	1 795

Cash flow from investing activities		
Investments in intangible and tangible assets	-405	-210
Acquired shares in subsidiary companies	-1 037	0
Loan payments	-205	0
Repayment of loan receivables	99	84
Cash flow from investing activities (B)	- 1 548	-126
Cash flow from financing activities		
Initial public offering	0	2 927
Divident distribution	-1 376	-750
Repayments of loan receivables	0	-51
Cash flow from financing activities (C)	-1 376	2 126
Change in cash and cash equivalent (A+B+C) increase (+) / decrease (-)	-414	3 796
Cash and cash equivalents at beginning of period	7 198	3 402
Cash and cash equivalents at end of period	6 784	7 198
Change in cash and equivalents increase (+) / decrease (-)	-414	3 796

CALCULATION OF KEY FIGURES

Operating profit (EBIT)	=	$\frac{\text{Net sales + other operating income – materials and services – personnel expenses – other operating expenses – depreciation}}{\text{Net sales}}$	x100
Operating profit as % of net sales	=	$\frac{\text{Operating profit}}{\text{Net sales}}$	x100
Profit for period as % of net sales	=	$\frac{\text{Profit for period}}{\text{Net sales}}$	x100
Equity ratio, %	=	$\frac{\text{Equity + Minority interest}}{\text{Balance sheet total – advances received}}$	x100

Return on equity (ROE) % = $\frac{\text{Profit after financing rounds – Income taxes}}{\text{Equity + Minority interest (on average during the year)}} \times 100$

Net gearing, % = $\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Equity + Monority interest}} \times 100$

PRESS AND ANALYST EVENT

Fondia announces its annual report January-December 2018 on Thursday 14 February at 8.00. A press and analyst event will be held in Finnish at 10.00 at Fondia headquarters, Lönnrotinkatu 5, Helsinki. The review will be presented by company's CEO Leena Hellfors. Presentation will be streamed in Finnish on <https://www.inderes.fi/fi/videot/fondia-q42018-tilinpaatostiedote-1422019-1000-alkaen> A video of the stream and the presentation materials will be published later on <http://www.fondia.fi/sijoittajille>.

In Helsinki 14.2.2019

Board of Directors, Fondia Plc

More information :

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FONDIA LYHYESTI

Fondia is a full-service business law house that offers new service models and exploits digital technologies. Fondia operates in Finland, Sweden, Estonia and Lithuania and the group revenue was approximately 20.2 million euros in 2018. Fondia employs over 160 employees.
www.fondia.com