

Unofficial translation

Quarterly report January – March 2022: Growth continued excellently and profitability improved

Fondia Plc

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The company complies with the half year reports required by the Securities Markets Act and publishes quarterly reports for the first three and the first nine months of the year, which present key information describing the company's financial development. The financial information presented in this quarterly report is unaudited.

Financial development in January – March 2022

| GROUP   | 1-3/2022 | 1-3/2021 |
|---|----------|----------|
| Net sales, MEUR   | 6.2      | 5.3      |
| Change in net sales -%                                  | 18.1%    |          |
| EBITDA, MEUR  | 0.6      | 0.5      |
| EBITDA %  | 10.0%    | 9.3%     |
| Operating profit EBIT, MEUR                             | 0.5      | 0.3      |
| Operating profit EBIT %                                 | 7.3%     | 6.3%     |
| Number of employees FTE,<br>period average              | 143      | 125      |
| Number of employees FTE,<br>change in period average, % | 14.4%    |          |

CEO Harri Savolainen:

“Sales, customer value and personnel were and continue to be our strong themes for the journey of change that we've begun. The pragmatic leadership and successful execution of these themes carried us to a good result on the first annual quarter, in which we are satisfied with at the moment.

The Group's net sales climbed on first annual quarter with 18.1% compared to comparison period. All our business areas acted as drivers for the growth. Business in Sweden grew by 46.9% and Baltic business by 12.8%. Also, business in Finland grew well by 9.7% compared to comparison period. The growth of net sales was boosted by strong leadership and successful execution and also by sales continuing good and outstanding recruitments. Further increased employee satisfaction also supported good quality and profitability of customer work.

The Group's operating profit (EBIT) improved compared to comparison period on the first annual quarter reaching the growth of 7.3% (6.3). We are pleased with the direction of operating profit developing, but

there's still a lot of work to be done. This development was driven by the good growth of net sales and leading everyday actions more cost-consciously. We aim to secure the favorable development of our profitability through growing net sales also in the future.

To improve the leadership of our core legal business we appointed a new position of Legal Business Director, Finland to Finnish business operations during the first annual quarter. Into this position we appointed a long term Fondia employee Minna Laurila, who will lead a new Legal Leadership team. Through this change we aim to secure clear leadership roles and provide better support for team leaders in their managerial work. This arrangement's goal is also to ensure the wellbeing of all Finnish employees and through that reaching our growth targets. The appointed position will also belong to Group Management team and it will strengthen the Management team in fields of customer understanding, providing legal services and in sales.

The end of first annual quarter was shadowed by Russia initiating its unilateral attack towards Ukraine – we condemn this attack strongly. With the situation progressing we were able to react quickly and were able to guide our customers with sanctions and export restrictions. As a consequence of the attack, we also assessed our own operations from the corporate responsibility viewpoint and as a result decided to decline cooperating with a few customers and financially supported the victims in Ukraine through an established international aid organization.

The technology project advanced during the first annual quarter as expected. In MyFondia development we focused in creating one, unified digital service channel and digital experience. We are expecting to reach concrete, visible to pilot customers development steps during the ongoing fiscal period. The technology project is partially financed by Business Finland and partially Fondia's own investment. The target of the project is to enable improving efficiency and future growth.

We continue our journey of change and focus on things that matter the most in terms of the business: legal customer work, sales, creating added value to customers and employee wellbeing. There's still a significant amount of potential in improving our efficiency. We expect the net sales and operating profit of year 2022 to increase from the previous fiscal period."

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Fondia in brief

Fondia solves business legal needs by combining the best features of in-house legal departments and legal consultancy services. Fondia operates in Finland, Sweden, Estonia and Lithuania, and the Group's net sales in 2021 were €21.1 million. Fondia employs about 170 professionals.

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