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FONDIA CONTINUED STRONG GROWTH: REVENUE INCREASED BY 17% AND THE COMPARABLE OPERATING PROFIT INCREASED 22%

1 January 2017 to 30 June 2017 in brief (comparison period 1 January 2016 to 30 June 2016 results in brackets)

- Net sales of €8.84 million (7.55), change +17.1 %.
- Comparable operating profit increased by 21.8 % to 1.39 million (1.14). The comparable operating profit margin was 15.8 %.
- Comparable profit for the period €1.08 million (0.88), change +22.8 %
- The company was listed on Nasdaq First North on 4 April 2017. The nonrecurring expenses associated with the First North listing totalled €0.57 million.
- Operating profit (EBIT) of €1.15 million (1.14), change +0.2 %. Operating profit margin 12.9 % (15.1)
- Profit for the period amounted to €0.62 million (0.88), change -29.5 %.
- Recurring monthly revenue accounted for 43 % of net sales (42).

Key figures

| Fondia Plc Group | 1-6/2017 | 1-6/2016 | Change, % | 2016 |
|-------------------------------------|---------------|----------|-----------|---------|
| Net sales, 1 000 euros | 8 840 | 7 545 | 17,15 | 14 854 |
| Operating profit (EBIT), 1000 euros | 1 145 | 1 142 | 0,23 | 2 000 |
| % of net sales | 12,95 | 15,14 | | 13,47 |
| Profit for the period, 1000 euros | 622 | 883 | -29,5 | 1 516 |
| % of net sales | 7,04 | 11,70 | | 10,21 |
| Net gearing % | -98,72 | -106,91 | | -114,54 |
| Equity ratio % | 63,46 | 43,60 | | 46,91 |
| Return on equity (ROE) % | 14,39 | 39,57 | | 59,49 |
| Number of personnel, average | 115 | 105 | | 105 |
| Balance sheet total, 1000 euros | 9 029 | 5 263 | | 6 238 |
| Net earnings per share, euros | 0,17 | 0,25 | | 0,43 |

CEO Salla Vainio: A very positive start of the year for Fondia

“During the review period January to June 2017, we continued our profitable growth. Net sales increased during the first six months by 17 % to €8840 thousand (7545). Recurring monthly revenue of the Legal Department as a Service (LDaaS) business accounted for 43 % (42) of total net sales. The company’s operating profit margin, excluding the expenses accrued from the listing, was 15.8 % (15.1). The biggest

factor affecting net sales was the increase in the number and volume of customers. We have simultaneously been able to optimize our service process which has positively affected improvement of the profit.

The LDaaS digital service platform for lawyer and customer cooperation (MyFondia) was launched for customer use at the turn of the year and has been positively received. Customers have felt that the service is clear and easy to use.

One of the key prerequisites for Fondia's growth is to increase the number of skilled staff. This is an area where we are progressing well. At the end of the six-month review period, Fondia employed 82 lawyers and new employment contracts are planned to begin in the latter part of the year.

In line with our strategy, we have also continued to develop international business and related expansion opportunities. This is central to the further development of our service model and the MyFondia platform, which are the spearheads of our expansion both domestically and internationally.

Over the past six months, Fondia's most significant event was the company's becoming listed on Nasdaq Helsinki First North. Trading of Fondia shares began on 4 April 2017. The share subscription level surpassed expectations. The shares were subscribed 10.8 fold in the initial offering and as much as 13.4 fold in the public offering. Through the IPO, Fondia gained approximately 5200 new "owners."

The legal services market

The legal services market has been described as follows in the company brochure, published on 16 March 2017.

The market for corporate legal services is comprised of two parts: 1) lawyers employed by and law firms hired by companies, and 2) companies (other than law firms) that produce legal services. In 2015, there were approximately 6500 lawyers in employment in Finland and the size of the legal services market was slightly less than €830 million.

Some of the key growth drivers of the corporate law market are:

- Increasing amount of international agreements and EU regulation
- The growing need for legal advice of SMEs that operate without their own lawyer or with limited legal resources
- A general trend towards the outsourcing of corporate functions, which provides the opportunity to provide legal departments to companies as a service.
- Increasing digitalisation in all industries, which generates new demands for legislation and the application of laws (e.g., information or privacy issues)

In addition to market growth, more and more companies that purchase legal services are scrutinising the services they receive and seeking to find new ways to meet their legal needs.

People who purchase legal services increasingly require the following from companies and their experts:

- Broad business expertise that extends beyond law and complex approaches and solutions
- Knowledge of digitalisation and new technologies as well as their utilisation in the production of legal services
- Proactive counselling, especially in identifying and responding to increasing statutory obligations

- Transparent, value-based pricing that is based on content and added value of the work rather than on an hourly rate

Fondia's strategy

A key benefit of an in-house lawyer or legal department is their extensive knowledge of the company's business and the ability to manage matters to effectively support the business. On the other hand, external service providers, especially the largest law firms, possess a full range of expertise in various areas of law, which in-house lawyers may lack. Fondia's strategy is to provide customer benefits by combining the benefits provided by an internal legal department and those provided by external legal service providers into a unique service concept loved by customers.

A key cornerstone of Fondia's strategy is the continuous service business model, whereby a legal department covering the daily business legal needs of a client company can be offered as a service to companies. Alongside the LDaaS service, individual assignment services and project services (such as mergers and acquisitions) are provided to both LDaaS customers and other customers, enabling customers to acquire all corporate law services efficiently from one service provider.

Fondia's strategy is 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. MyFondia was launched for customer use at the turn of the year 2016/2017. MyFondia is constantly being developed, and the aim is for the customer to be able to: see the LDaaS service offering as a whole, view all completed and pending assignments and projects; easily communicate with the expert team; approve actions and outputs; and manage the use of resources through a dynamic legal service plan.

Fondia wants to be the best workplace in the corporate law industry.

Financial performance

The Group's net sales were €8840 thousand (7545) between 1 January 2017 and 30 June 2017. Net sales increased by 17.1 % compared with the corresponding period in 2016. The biggest factor affecting net sales was the increase in the number and volume of customers. We have simultaneously been able to optimize our service process which has positively affected improvement of the profit.

The Group's operating profit for the first half of the year was €1145 thousand (1142). Operating profit increased by 0.23 % compared to the first half of 2016. Operating profit was affected by the non-recurring personnel expenses and other expenses totalling €247 thousand, which resulted from the First North listing. Without these non-recurring expenses, operating profit would have been €1392 thousand or an increase of 21.83 % compared to the first half of 2016.

Profit for the period was €622 thousand (883). Profit for the period was affected by expenses associated with the First North listing, which totalled €570 thousand. Of the non-recurring listing expenses, €324 thousand has been recorded under financial expenses and €247 thousand under personnel and other expenses. Without these non-recurring expenses, profit for the period would have been €1085 thousand.

The Group's balance sheet total was €9029 thousand (5263) on 30 June 2017. Cash and cash equivalents of the balance sheet grew substantially with the IPO. This strengthened financial position will enable future growth and development plans.

Personnel, management and administration

On 30 June 2017, the Group employed a total of 118 people (111 people at the end of 2016), of whom 82 were lawyers.

Fondia continues to invest in its unique corporate culture and values. As a result, the company will also be able to attract experienced business law and industry experts into its ranks in the future.

The Fondia Group management team consists of CEO Salla Vainio; Team Leaders Erkki Hyvärinen, Pirjo Valtanen, Petri Ruisaho, Mårten Janson and Bradley Mitchell; CFO Kirsi Untala; Commercial Director Marianne Saarikko Janson; and Fondia Legal Services AB Managing Director Niclas Gottlieb.

The Board of Directors consists of Chairman of the Board Juha Sarsama, Vice Chairman Tuomo Lähdesmäki, and members Marianne Saarikko Janson, Johan Hammarén and Joséphine Mickwitz.

Shares and shareholders

Shares issued and share capital

On 30 June 2017, the number of shares in the company totalled 3,904,536. The average number of shares issued between 1 January and 30 June 2017 was 3,808,372 shares (3,532,794). The share capital of the company was €100,000 at the end of June 2017.

During the review period, Fondia issued 390,000 new shares as part of its First North IPO under authorisation granted by the Annual General Meeting on 16 February 2017. Further information on changes to shares and share capital can be found in the company brochure, which was drafted ahead of the IPO and published on 16 March 2017.

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

Trading in shares

During the review period, Fondia became listed on the First North market maintained by Nasdaq Helsinki Ltd. Through the IPO, the company raised a total of approximately €2.9 million in gross assets. Trading in the company's shares began on 4 April 2017.

Closing price on the last day of trading in the review period (30 June 2017) was €10.14 per share. The lowest trading price for the review period was €9.2 per share and the highest €11 per share. At the end of the review period, the market value of Fondia Plc was €39.59 million.

Authorisations granted to the Board of Directors

On 16 February 2017, authorisation was granted to the Board of Directors by the Annual General Meeting to decide on the issue of new shares and/or the transfer of treasury shares in one or several instalments. The authorisation also included the right to issue stock options as well as other special rights referred to in chapter 10, section 1 of the Finnish Limited Liability Companies Act, which entitle the holder to receive new shares or treasury shares against payment. A maximum of 600,000 shares can be issued under the authorisation. The authorisation is valid until the end of the next Annual General Meeting, but no later than

30 June 2018. On 16 March 2017, the Board of Directors decided to issue 390,000 new shares as part of Fondia's First North IPO under authorisation granted by the Annual General Meeting. In addition, on 16 March 2017, the Board of Directors decided on issuing 18,750 stock options under the authorisation granted by the Annual General Meeting, and on 27 April 2017, the Board of Directors decided to issue 18,750 option rights to employees of the Fondia Plc Group.

The Annual General Meeting also authorised the Board of Directors to purchase the company's own shares and this authorisation is valid until the end of the next Annual General Meeting, but no longer than 30 June 2018. This authorisation was not exercised during the review period.

Shareholders

The total number of shareholders was 4,122 on 30 June 2017.

Additional general meeting 20.1.2017

An additional General Meeting was held in Helsinki on 20 January 2017. The following decisions were made in the General Meeting: the Board of Directors was authorised to continue investigating the trading of shares on Nasdaq First North marketplace and to make and implement all decisions regarding the application and IPO; the company structure would be changed to a public limited company; shares were to be included in the book-entry securities system and the Board of Directors was authorised to decide on the reporting period; in addition, Juha Sarsama and Tuomo Lähdesmäki were appointed as new members of the Board of Directors.

The Annual general meeting 16.2.2017

The Annual General Meeting was held in Helsinki on 16 February 2017. The Annual General Meeting approved the financial statements for 2016 and discharged the members of the Board of Directors and the CEO from liability.

The Annual General Meeting decided that a dividend of €749,767.67, or €0.64 per share, would be distributed in accordance with the Board of Directors' proposal.

The Annual General Meeting decided that the Board of Directors shall consist of 5 members and all current Board members (Juha Sarsama, Tuomo Lähdesmäki, Johan Hammarén, Joséphine Mickwitz and Marianne Saarikko Janson) were re-elected.

The Annual General Meeting selected Revico Grant Thornton Ltd as the company's auditor, with Peter Åhman, Authorized Public Accountant, as the principal auditor.

The Annual General Meeting decided that the company's share classes were to be combined so that the company would only have one class of shares in which all shares carry one (1) vote and otherwise equal rights.

In addition, the Annual General Meeting authorised the Board of Directors to decide on the issue of new shares and/or the transfer of treasury shares in one or several instalments as well as to purchase treasury shares in one or several instalments. The authorisations granted to the Board of Directors are described in more detail under 'Shares and shareholders'.

Risks

The risks relating to Fondia's operations have been comprehensively described in the corporate brochure, published in March 2017. According to the company's management, these have not changed since the publication of the company brochure. Short-term uncertainties are related to how well the company succeeds in recruiting, motivating and retaining skilled staff. Moreover, even though the financial goals have so far been achieved, there is no guarantee that the profitable growth will continue at the same level. 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.

Medium-term financial objectives

The company's medium-term goals are annual average revenue growth of approximately 15% and average operating profit margin of approximately 15 %.

Accounting principles

The half year results have been prepared in accordance with good accounting practice and Finnish legislation. The figures included in the report are unaudited and have been prepared in accordance with national law (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

There were no significant events that deviated from normal business after the reporting period.

Financial reporting information

The company will publish a financial statement release for 2017 on 15 February 2018. Our reporting language continues to be Finnish but we will give a translation of the half year results report in English as a press release.

Consolidated income statement

| 1 000 euros | 1-6/2017 | 1-6/2016 | 2016 |
|---|--------------|--------------|---------------|
| Net sales | 8 840 | 7 545 | 14 854 |
| Other operating income | 43 | 30 | 70 |
| Materials and services | -315 | -232 | -463 |
| Personnel expenses | -5 434 | -4 537 | -9 140 |
| Depreciation and impairment | -106 | -80 | -165 |
| Other operating expenses | -1 882 | -1 583 | -3 156 |
| Operating profit | 1 145 | 1 142 | 2 000 |
| Net financial income and expenses | -328 | -7 | -11 |
| Profit before appropriations and taxes | 817 | 1 136 | 1 990 |
| Income taxes | -195 | -253 | -474 |
| Profit for period | 622 | 883 | 1 516 |

Consolidated balance sheet

| 1 000 euros | 30.6.2017 | 30.6.2016 | 31.12.2016 |
|--|--------------|--------------|--------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | | | |
| Development expenses | 0 | 6 | 0 |
| Intangible rights | 1 | 3 | 2 |
| Other non-current expenses | 151 | 139 | 179 |
| Tangible assets | 104 | 103 | 109 |
| Non-current assets total | 256 | 252 | 291 |
| Current assets | | | |
| Long-term receivables | | | |
| Loan receivables | 268 | 315 | 283 |
| Other receivables | 9 | 3 | 9 |
| Short-term receivables | | | |
| Accounts receivable | 2 564 | 2 011 | 2 106 |
| Other receivables | 19 | 34 | 37 |
| Prepayments and accrued income | 211 | 125 | 110 |
| Cash and cash equivalents | 5 700 | 2 523 | 3 403 |
| Current assets total | 8 773 | 5 011 | 5 947 |
| ASSETS TOTAL | 9 029 | 5 263 | 6 238 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 100 | 100 | 100 |
| Fund for invested unrestricted equity | 3 234 | 307 | 307 |
| Profit for previous financial years (loss) | 1 750 | 984 | 984 |
| Profit for period (-loss) | 622 | 883 | 1 516 |
| Translation differences | 16 | 18 | 19 |
| Equity total | 5 722 | 2 292 | 2 926 |

| | | | |
|-------------------------------------|--------------|--------------|--------------|
| Liabilities | | | |
| Non-current | | | |
| Loans from financial institutions | 0 | 51 | 0 |
| Current | | | |
| Loans from financial institutions | 51 | 21 | 51 |
| Advance payments | 12 | 4 | 1 |
| Accounts payable | 277 | 184 | 330 |
| Other payables | 1 079 | 945 | 933 |
| Accruals and deferred income | 1 887 | 1 766 | 1 997 |
| Liabilities | 3 306 | 2 970 | 3 312 |
| EQUITY AND LIABILITIES TOTAL | 9 029 | 5 263 | 6 238 |

Changes in equity

| 1 000 euros | Share capital | Invested unrestricted equity | Profit for previous financial years (loss) | Profit for period (loss) | Translation-differences | Total |
|----------------------------------|---------------|------------------------------|--|--------------------------|-------------------------|--------------|
| Equity 1.1.2017 | 100 | 307 | 2 499 | 0 | 19 | 2 926 |
| Initial public offering | | 2 927 | | | | 2 927 |
| Dividend distribution | | | -750 | | | -750 |
| Profit/loss for period | | | | 622 | | 622 |
| Change in translation difference | | | | | -3 | -3 |
| Equity 30.6.2017 | 100 | 3 234 | 1 750 | 622 | 16 | 5 722 |
| Equity 1.1.2016 | 100 | 307 | 1 746 | 0 | 17 | 2 171 |
| Dividend distribution | | | -733 | | | -733 |
| Acquisition of own shares | | | -30 | | | -30 |
| Profit/loss for period | | | | 883 | | 883 |
| Change in translation difference | | | | | 1 | 1 |
| Equity 30.6.2016 | 100 | 307 | 984 | 883 | 18 | 2 292 |
| Equity 1.1.2016 | 100 | 307 | 1 746 | 0 | 17 | 2 171 |
| Dividend distribution | | | -733 | | | -733 |
| Acquisition of own shares | | | -30 | | | -30 |
| Profit/loss for period | | | | 1 516 | | 1 516 |
| Change in translation difference | | | | | 2 | 2 |
| Equity 31.12.2016 | 100 | 307 | 984 | 1 516 | 19 | 2 926 |

Consolidated statement of cash flows

| 1 000 euros | 1-6/2017 | 1-6/2016 | 2016 |
|---|--------------|--------------|--------------|
| Cash flow from operating activities | | | |
| Profit (-loss) before extraordinary items | 817 | 1 136 | 1 990 |
| Planned depreciation | 106 | 80 | 165 |
| Unrealised exchange rate gains and losses | -6 | -4 | -4 |
| Financial income and expenses | 328 | 7 | 11 |
| Cash flow before change in working capital | 1 245 | 1 218 | 2 162 |
| Change in working capital: | | | |
| Increase (-) / decrease (+) in current non-interest-bearing receivables | -542 | -321 | -404 |
| Increase (+) / decrease (-) of current non-interest-bearing liabilities | 102 | -3 | 397 |
| Cash flow from operating activities before financial items and taxes | 805 | 894 | 2 154 |
| Interest paid and other financial expenses | -328 | -5 | -11 |
| Received interest and other financial income | 3 | 10 | 13 |
| Direct taxes paid | -302 | -255 | -513 |
| Cash flow from operating activities (A) | 177 | 644 | 1 643 |
| Cash flow from investing activities | | | |
| Investments in intangible and tangible assets | -72 | -115 | -238 |
| Repayment of loan receivables | 14 | 12 | 44 |
| Cash flow from investing activities (B) | -57 | -103 | -194 |
| Cash flow from financing activities | | | |
| Acquisition of own shares | 0 | -30 | -30 |
| Repayment of loan receivables | 0 | 0 | -21 |
| Initial public offering | 2 927 | 0 | 0 |
| Paid dividends | -750 | -733 | -733 |
| Non-current rental guarantee | 0 | 0 | -6 |
| Cash flow from financing activities (C) | 2 177 | -762 | -790 |
| Change in cash and cash equivalent (A+B+C) increase (+) / decrease (-) | 2 298 | -221 | 659 |
| Cash and cash equivalents at beginning of period | 3 402 | 2 743 | 2 743 |
| Cash and cash equivalents at end of period | 5 700 | 2 523 | 3 402 |
| Change in cash and cash equivalent | 2 298 | -221 | 659 |

Calculation of key figures

| | | | |
|-------------------------------------|---|---|-------|
| Operating profit (EBIT) | = | $\frac{\text{Net sales} + \text{other operating income} - \text{materials and services} - \text{personnel expenses} - \text{other operating expenses} - \text{depreciation}}{\text{Net sales}}$ | 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, % | = | $\frac{\text{Equity} + \text{Monority interest}}{\text{Balance sheet total} - \text{advances received}}$ | x100 |
| Return on equity (ROE) % | = | $\frac{\text{Profit after financing rounds} - \text{Income taxes}}{\text{Equity} + \text{Minority interest (on average during the year)}}$ | x 100 |
| Net gearing, % | = | $\frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents}}{\text{Equity} + \text{Monority interest}}$ | x 100 |

Helsinki, 18 August 2017

Fondia Plc Board of Directors

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Fondia in brief

Fondia is a full-service business law house that offers new service models and exploits digital technologies. Fondia operates in Finland, Sweden and Estonia and the group revenue was 14.9 million euros in 2016. Fondia employs over 100 persons.

www.fondia.com