



Annual Report 2025



FONDIA



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Fondia Plc

The Financial
Statements and
Annual Report 2025

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THE FINANCIAL STATEMENTS AND ANNUAL REPORT 2025

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The financial statement must be kept at least 10 years after the end of the financial period (Finnish Accounting Act, 2:10.1 §)

Accounting period's vouchers must be kept at least 6 years after the end of the financial period (Finnish Accounting Act, 2:10.2 §)

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ANNUAL REPORT 2025

Business development 2025

The 2025 financial year was challenging for Fondia Plc and its group companies ("Fondia" or "the company") as expected, and the company focused on improving profitability during the financial year. The financial year was affected by change negotiations in Finland at the beginning of the year and continued growth challenges in Sweden, where the company operated under temporary management arrangements for part of the year and did not succeed in acquiring new customers at a sufficient level. Growth in the Baltic business was in line with the company's expectations.

The company's net sales for the financial year decreased by 6.6% compared to the comparison period. The company's international net sales decreased by 2.2% compared to the comparison period, with Sweden decreasing by 4.2% and the Baltic countries growing by 8.5%. Net sales in Finland for the financial year decreased by 8.4% compared to the comparison period. Adjusted for non-recurring items, EBITDA and operating profit margins improved despite the decline in net sales. The company's adjusted EBITDA margin (EBITDA-%) was 10.2% (8.9) and its operating profit margin (EBIT-%) was 6.0% (5.3).

Fondia's goal is to increase the share of its legal department services and other productised ongoing services in all market areas, as well as to increase the share of international business in the company's total net sales and improve productivity. The share of all ongoing services in the company's net sales remained at the previous level, at 46% (46). The share of total invoicing for Legal Department as a Service (LDaaS) customers and other ongoing service customers decreased slightly to 68% (73) of net sales. In Sweden, all ongoing services accounted for 41% (41) of net sales, and in the Baltic countries, 34% (34). In Finland, all ongoing services accounted for 47% (46) of net sales. International net sales accounted for 24% (23) of the company's net sales during the financial year. The company's productivity, i.e. net sales per average FTE, increased by 7.3% compared to the comparison period.

During the financial year, the company succeeded in stabilizing its operations and laying the foundation for the future, even though sales of legal services did not meet the company's targets. The uncertain market situation continued to have a negative impact on the demand for legal services in the company's ongoing services customer segment during the financial year. Economic uncertainty was reflected in reduced resource allocations for Legal Department as a Service (LDaaS), a decline in business assignments and challenges in acquiring new customers. On the other hand, the company managed to keep the customer churn rate for Legal Department as a Service (LDaaS) low, and the need for legal advice also increased in some areas, partly driven by developments in the economic operating environment and partly by regulatory developments.

Two important things happened in the company during the first half of the financial year. Firstly, the company completed its strategy work and updated its key initiatives for the coming years in order to implement its strategy and achieve profitable growth, as well as its medium-term financial targets. The company will implement its strategy in the coming years and pursue profitable growth through four key initiatives: enhancing customer work efficiency, strengthening employee experience, renewing our Legal Department as a Service (LDaaS) offering, and leveraging new legal technology. Another thing was that Timo Lappi moved from the role of Chair of the Board to CEO of the company, returning to the company's operational activities for the second time.

In the second half of the financial year, the company carried out customer and employee satisfaction survey, the results of which were somewhat mixed. The good NPS result of 68 (61) in the customer satisfaction survey supports the company's strategic choices regarding high-quality customer work and service concept. In addition, the results provided the company with confirmation and further insight for developing its operations. The eNPS result of the employee satisfaction survey decreased slightly to 17 (19), which was a slight disappointment for the company. The company's financial performance and measures to improve profitability were inevitably also reflected in the eNPS results. As part of the employee satisfaction survey, the company also received positive signals indicating that the actions taken to develop employee satisfaction are heading in the right direction. In the second half of the financial year, the company also completed the recruitment process for the managing director of its Swedish subsidiary, and the new managing director of Fondia Sweden Victoria Swedjemark will start in her position at the beginning of the new financial year.

The company will continue to reform its operations and, in the current financial year, focus on growth to ensure profitability development. The company's operations will focus on its customers and employees, as well as on advancing strategic projects. The company monitors the market closely and reacts swiftly, without compromising the customer or employee experience.

The legal services market

Key factors affecting the legal services market in the short term include:

- Inflation and interest rate developments and their impact on, for example, the transaction market
- The further expansion of the use of artificial intelligence to increase productivity and exploit innovation opportunities
- Geopolitical uncertainty and security threats
- Sustainability requirements
- Customers' diversifying needs
- Regulatory developments
- Competition for talent and changing work culture

Fondia's strategy

Founded in 2004, Fondia is a bold rewriter of the legal industry, which has introduced to the market a new category of legal services by combining the best aspects of internal and external legal services. Fondia provides Legal Department as a Service (LDaaS), other ongoing legal services, and assignment-based legal support to business customers across the Nordics and Baltics. Fondia's concept delivers business-oriented, technology-enabled, proactive, and scalable legal services for businesses, without the fixed costs of an in-house legal department.

Operating at the forefront of legal industry transformation, Fondia leverages technology to increase efficiency, transparency, and the quality of customer experience. Fondia is agile in adopting new tools and shares the benefits of legal tech innovation directly with its customers.

Fondia is a dynamic and human-centric workplace that attracts top legal talent. It offers its professionals long-term customer relationships, opportunities for specialization, strong professional support, and access to the latest legal technologies. This enables the company to build sustainable competitive advantage in both customer and talent markets.

Strategic initiatives

Fondia announced on 19 May 2025 that it will implement its strategy in the coming years and aim for profitable growth through four key initiatives: enhancing customer work efficiency, strengthening employee experience, renewing the Legal Department as a Service (LDaaS) offering, and leveraging new legal technology.

Enhancing customer work efficiency means shifting the organizational focus more strongly towards customer work by increasing the share of lawyers within the overall personnel and developing structures that enable more effective use of their time in delivering customer value. The aim is to improve the customer experience, increase the proportion of time spent on customer work, and enhance business profitability.

Strengthening the employee experience involves clarifying the company's shared direction and investing in professional development, high-quality leadership, and a human-centric, sustainable working environment. The goal is to strengthen engagement and in a competitive talent market attract and continuously train legal professionals who have the ability to combine legal and business thinking, and to effectively utilize technology and AI in their daily work.

Renewing the Legal Department as a Service (LDaaS) offering is based on customer feedback and includes updates to the service content, pricing model, and information systems. As part of the renewal, Fondia will launch two new tools, Legal Review and Legal Plan, designed to create a more systematic and impactful foundation for delivering proactive legal services. The goal is to improve customers' risk management and legal foresight as part of their everyday business operations. Fondia's LDaaS offering is blending the traditional legal services with startup-style agility and user-friendliness.

Leveraging new legal technologies means that Fondia actively monitors, tests, and adopts legal tech solutions that add value to customer work. The company recognizes the dual impact of technology: while it reduces demand for some traditional legal services, it also creates new, more business-driven ways to deliver legal value. The aim is to improve service efficiency, meet evolving customer expectations, and enforce Fondia's position as a frontrunner in technology-enabled legal services.

Financial development 2025

Fondia's net sales in July–December 2025 were EUR 11,257 thousand (11,841), and decreased by 4.9% compared to the comparison period. Net sales in Finland decreased by 4.0% and international net sales decreased by 7.8% compared to the comparison period. The company's net sales of all ongoing services decreased by 6.0% in the second half of the year and represented 46% (46) of total net sales. Total invoicing for Legal Department Service (LDaaS) customers and other ongoing services represented 69% (70) of net sales in the second half of the year.

The company's adjusted operating profit (EBIT) in July–December 2025 was EUR 958 thousand (446) and adjusted operating profit margin was 8.5% (3.8).

The company's net sales in January–December reporting period amounted to EUR 23,929 thousand (25,628) and decreased by 6.6% compared to the comparison period. Net sales in Finland decreased by 8.4% and in Sweden by 4.2% during the reporting period compared to the comparison period. In our Baltic business area, net sales increased by 8.5% compared to the comparison period. International net sales decreased by 2.2% compared to the comparison period and accounted for 24% (23) of the Group's total net sales. Net sales from all ongoing services decreased by 6.7% and accounted for 46% (46) of total net sales.

The total invoicing for Legal Department Service (LDaaS) customers and other ongoing services customers decreased by 12.8% and represented 68% (73) of total net sales. During the reporting period, net sales from assignment business decreased by 23.4%.

In January–December reporting period, the company’s adjusted EBITDA was EUR 2,446 thousand (2,282) and the adjusted EBITDA margin was 10.2% (8.9). The adjusted operating profit (EBIT) of the reporting period was EUR 1,428 thousand (1,361) and adjusted EBIT-% was 6.0% (5.3). During the year, the company focused on improving operational and cost efficiency and countering the effects of inflation in order to ensure profitability, which enabled the company to improve productivity by 7.3% compared to the comparison period (net sales per average FTE).

The company’s adjusted profit for the reporting period was EUR 933 thousand (962**) and the balance sheet total on 31 December 2025, was EUR 6,611 thousand (7,448). The company was debt-free, and its equity ratio was 38%.

KEY FIGURES

Fondia Plc Group	7-12/2025	7-12/2024	Change, %	1-12/2025	1-12/2024	Change, %
Net sales, 1,000 euros	11,257	11,841	-4.9%	23,929	25,628	-6.6%
EBITDA, 1,000 euros	1,487	683	117.7%	1,989	1,938	2.6%
% of net sales	13.2%	5.8%		8.3%	7.6%	
Adjusted EBITDA, 1,000 euros*	1,519	944	60.9%	2,446	2,282	7.2%
% of net sales*	13.5%	8.0%		10.2%	8.9%	
Operating profit (EBIT), 1,000 euros	926	186	397.8%	971	1,017	-4.5%
% of net sales	8.2%	1.6%		4.1%	4.0%	
Adjusted operating profit (EBIT)*	958	446	114.4%	1,428	1,361	4.9%
% of net sales*	8.5%	3.8%		6.0%	5.3%	
Profit for the period, 1,000 euros	629	60	941.4%	568	651	-12.8%
% of net sales	5.6%	0.5%		2.4%	2.5%	
Adjusted profit for the period, 1,000 euros*	654	321	104.0%	933	962**	-3.0%
% of net sales*	5.8%	2.7%		3.9%	3.9%	
Net gearing %	-2.5%	-75.8%		-2.5%	-75.8%	
Equity ratio %	37.6%	40.4%		37.6%	40.4%	
Return on equity (ROE) %	21.1%	16.5%		21.1%	16.5%	
Average number of employees, full-time equivalent (FTE)	136	158	-13.9	141	162	-13.0%
Balance sheet total, 1,000 euros	6,611	7,448		6,611	7,448	
Net earnings per share, euros	0.16	0.02		0.14	0.16	

*In the financial year 2025, non-recurring expenses totalling EUR 457 thousand were recorded. Non-recurring expenses relate to the change negotiations within the Finnish organisation. In the comparison period, EUR 344 thousand non-recurring expenses were recorded.

**The figure presented differs from the previously reported figure of EUR 995 thousand, which does not take into account the tax impact of non-recurring expenses.

Personnel and locations

Fondia continued to invest in its unique business culture and values. The 2025 financial year was quiet in terms of recruitment. Fondia will continue to recruit experienced business law and industry-specific legal experts. On 31 December 2025 the Group employed 154 (180) people, of whom 101 (121) were lawyers.

The average number of employees (FTE) during the year was 141 (162).

At the end of the financial year, the total number of employees in Sweden was 31 (38), the number of employees in Finland was 108 (127), the number of employees in Estonia was 8 (9), and the number of employees in Lithuania was 7 (7).

At the end of the financial year, Fondia had offices in Helsinki, Turku, Tampere, Lahti, Tallinn, Vilnius, Stockholm, Malmö and Gothenburg.

Management and Board of Directors

During the 2025 financial year, Fondia Plc was led by Timo Lappi, LL.M., M.Sc. (Econ.), who served as Interim CEO from 22 January 2025, and as CEO from 19 May 2025, and by Harri Savolainen, MBA, who served as CEO until 22 January 2025.

Fondia Group Management Team on 31 December 2025:

- Timo Lappi, CEO (since 19 May 2025), Interim CEO (22 January 2025–19 May 2025) Fondia Group, Interim CEO Fondia Sweden (since 18 November 2025)
- Harri Savolainen, CFO (since 22 January 2025), CEO (until 22 January 2025), Fondia Group
- Eneli Perolainen, Managing Director, Fondia Baltics

During 2025, the group management team also included:

- Emma Ridderstad, Managing Director, Fondia Sweden (until 18 November 2025)
- Wilma Laukkanen, Chief Operating Officer (until 22 January 2025)
- Minna Laurila, Legal Business Director, Finland (until 22 January 2025)

Fondia Plc's Board on 31 December 2025:

- Johan Hammarén, Chair of the Board (since 19 May 2025), Vice Chair of the Board (22 January 2025–19 May 2025)
- Sami Honkonen
- Katariina Lindholm

During 2025, the Board also included:

- Timo Lappi, Chair of the Board (until 19 May 2025)
- Charlotte Darth (until 20 March 2025)
- Juha Sarsama (until 20 March 2025)

In 2025, the Board met 22 times and the attendance rate at Board meetings was 99%.

On 18 November 2025, the company announced that the CEO of Fondia's Swedish subsidiary would change. Victoria Swedjemark was appointed as the Managing Director of Fondia Plc's Swedish subsidiary and as a member of the Group Management Team. She will begin her role no later than 2 March 2026. In the meanwhile, the Group CEO, Timo Lappi, will act as the interim Managing Director of the Swedish subsidiary.

Additionally, on 17 December 2025, the company announced that the composition of the Group Management Team changed. Aleksí Lundén was appointed as Chief Commercial Officer (CCO) and Teea Lyytikäinen as Chief People Officer (CPO), effective 1 January 2026.

The composition of the Group Executive Leadership Team is as of 1 January 2026:

- Timo Lappi, CEO, and interim Managing Director, Fondia Sweden
- Harri Savolainen, CFO
- Victoria Swedjemark, Managing Director, Fondia Sweden (starting no later than 2 March 2026)
- Eneli Perolainen, Managing Director, Fondia Baltics
- Aleksí Lundén, CCO
- Teea Lyytikäinen, CPO

Group structure

Fondia Plc is the parent company of a group that includes the directly owned subsidiaries Fondia Legal Services AB, Fondia Eesti OÜ (formerly Fondia Baltic Oü) and Fondia Lietuva UAB.

Related party loans

Fondia Plc has granted loans to companies belonging to the Group. The total amount of the loans is EUR 379,000.00. The loans are renewed annually, and the interest rate is fixed. The loans are market-based and unsecured. The company has mistakenly paid additional board fees totalling EUR 26,075.00 to CEO Timo Lappi, which have been recorded in the company's financial statements as receivables to be recovered.

Corporate Governance Statement and Remuneration Report

Fondia publishes a separate Corporate Governance Statement and Remuneration Report on this Annual Report together with the Annual Report 2025. These reports will be published on Fondia's website <https://investors.fondia.com/fi/en/releases-and-publications/reports-and-presentations> and as a company release.

Annual General Meeting 20 March 2025

Fondia Plc's Annual General Meeting ("AGM") was held in Helsinki on 20 March 2025. The AGM confirmed the company's financial statements for the financial year 2024 and discharged the Board and CEO from liability for the financial year 1 January to 31 December 2024. The financial statements include the balance sheet and the profit and loss account, the financial statement, and the notes both for the Group and the parent company.

The AGM decided, as proposed by the Board, that a dividend of EUR 0.30 per share is to be paid from the parent company's distributable funds. The additional dividend was paid to shareholders who, on the record date of the dividend payment on 24 March 2025 were entered in the shareholders' register maintained by Euroclear Finland Ltd.

As proposed by shareholders representing more than 33% of the company's shares and votes, the AGM decided to pay the following remuneration to the Board members: EUR 3,500 per month to the Chairperson and EUR 2,000 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 33% of the company's shares and votes, the AGM confirmed the number of Board members as four. Johan Hammarén, Sami Honkonen, Timo Lappi and Katariina Lindholm were re-elected as Board members. The Board's term of office ends at the end of the 2026 AGM.

Timo Lappi was appointed as the company's CEO starting 19 May 2025, at which time he resigned from the company's Board of Directors. The Board appointed Vice Chair Johan Hammarén as the Chair of the Board as of 19 May 2025. The company's Board will continue with three members until the next Annual General Meeting. After the Annual General Meeting, the Board of Directors of Fondia Plc decided at its organizational meeting not to establish any committees.

As proposed by the Board, the AGM appointed the auditing firm Grant Thornton Ltd as the company's auditor, with Peter Åhman, Authorised Public Accountant, continuing as the auditor with principal responsibility.

In addition, the AGM authorised the Board to decide on the issue of shares, stock options, and other special rights entitling to 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'.

The AGM approved, on an advisory basis, the remuneration policy and the remuneration report of the company's governing bodies for 2024.

Shares and shareholders

Shares issued and share capital

On 31 December 2025, there were a total of 3,953,134 (3,953,134) Fondia Plc shares. At the end of the financial year, the company held 213,889 of its own shares (216,557). The average number of shares during the financial year was 3,953,134 (3,953,134).

Fondia Plc's share capital at the end of the financial year 2025 was EUR 100,000 (100,000).

Shareholders and trading in Fondia shares

Fondia Plc's share closing price on the last trading day of the financial period, on 30 December 2025, was EUR 4.94 (4.74). The lowest trading price for the financial period was EUR 4.08 (4.66) and the highest EUR 5.50 (7.36).

During the financial year, a total of 871,254 (531,088) shares were traded. At the end of the financial period, the market value of Fondia Plc was EUR 19.5 (18.7) million.

At the end of the financial year 2024, Fondia Plc had 2,966 (2,919) shareholders. Nominee-registered holdings accounted for 1.57% (1.27) of the share capital.

Repurchase and transfer of own shares

At the end of the financial period, Fondia Plc owned 213,889 of its own shares (5.41% of the total number of shares), which were repurchased between December 2021 and December 2024 on the basis of the authorisations granted by the Annual General Meeting to the Board of Directors.

During the financial year 2025, Fondia Plc did not repurchase its own shares under the authorisations granted to the Board of Directors by the Annual General Meetings of 2024 and 2025.

During the financial period, Fondia Plc transferred a total of 2,688 own shares held by the company (0.07% of the total number of shares). The shares were transferred free of charge on 13 March 2025, to 32 persons who had participated in the Employee Share Savings Plan (ESSP) during the savings period 2022–2023.

During the reporting period, shares were also repurchased on behalf of the participants in the ESSP for the periods 2024–2025 with their accumulated savings at the prevailing market price after the publication of the 2024 financial statements in March 2025 and after Half-yearly Financial Report 2025 in September 2025.

The first performance period of the share-based commitment and incentive plan for 2022–2024 ended during the reporting period. The minimum criteria set for the ended performance period 2022–2024 were not met, and therefore no rewards were made under the plan.

The general features of the Employee Share Savings Plan (ESSP) and the share-based commitment and incentive plan, as well as the changes to the share plan decided in April 2025, are described below.

Employees share savings plan (“ESSP”)

In November 2018, Fondia Plc decided to introduce a share savings plan for the entire Group's employees, which the Board of Directors has decided to extend for new 12-month periods every year since then. The purpose of the ESSP is to offer the Group's employees the opportunity to save part of their regular salary for the purchase of shares in the company on favourable terms by issuing additional shares free of charge to the employees participating in the ESSP. By encouraging employees to acquire and own shares in the company, the company aims to strengthen the shareholder-employee relationship. The aim is to promote employee motivation and commitment to the company. The Board of Directors considers that the scheme will have a positive impact on the future development of the Group and is therefore in the interest of both shareholders and employees.

Under the ESSP, shares are repurchased with accumulated savings twice a year after the publication of the half-yearly financial report and the financial statements. Under the terms of the ESSP, the Board of Directors decides on the method of acquisition of savings shares. Each participant will receive from Fondia Plc one additional share (before tax) free of charge for every two savings shares acquired. The additional shares will be granted to the participant if he/she owns the savings shares acquired during the savings period and his/her employment is valid until the end of the holding period. Holding periods are three years. The additional shares are paid partly in shares of the company and partly in cash. The cash portion is intended to cover taxes and parafiscal charges incurred by the participant.

During the financial year, shares were purchased for participants in the employee share savings programme (ESSP) for the period 2024–2025 using their accumulated savings at the prevailing market price after the publication of the financial statements release 2024 in March 2025 and after the half-yearly financial report 2025 in September 2025. In December 2025, the Board of Directors decided to extend the ESSP for the new period 2026–2027.

Share-based commitment and incentive plan (“share plan”)

In October 2021, Fondia Plc decided to introduce a share plan. The purpose of the share plan is to contribute to the achievement of the company's financial objectives and to provide participants with a competitive long-term incentive scheme, thereby increasing shareholder value. The share plan is performance-based and consists of performance periods of three financial years. The Board of Directors decides annually on the start of new performance periods, their terms and conditions and the participants. In December 2025, the company's Board of Directors decided on the fifth performance period of the share plan. The fifth performance period of the share plan began on 1 January 2026 and ends on 31 December 2028.

To date, the share plan has been decided on the performance periods for the calendar years 2022–2024, 2023–2025, 2024–2026, 2025–2027 and 2026–2028.

Fondia Plc announced in April 2025 that the Board of Directors had decided on certain changes to the share plan, both to its general conditions and to the special conditions of the above-mentioned performance periods. The purpose of the share plan is to support the achievement of the company's financial objectives and to offer participants a competitive long-term incentive system, thereby increasing shareholder value. The changes were made to help achieve this purpose and to enhance participant commitment to the company. For example, participation in consecutive performance periods was enabled, and the participants and share allocations of the concluded 2022–2024 performance period were transferred to the performance periods 2023–2025 and 2024–2026.

Authorisations granted to the Board of Directors

Share issue authorisation

Fondia Plc's Annual General Meeting held on 20 March 2025, authorised the Board to decide on the on the issuance of shares, option rights and other special rights entitling to shares referred to in Chapter 15, Section 6 of the Finnish Limited Liability Companies Act in one or more tranches as follows:

The number of shares to be issued on the basis of the authorisation shall not exceed 390,000 shares in total (including shares to be issued on the basis of special rights), which corresponds to approximately 9,9% of the current total number of the shares in the company.

The Board of Directors decides on all the conditions of the issuance of shares, option rights and special rights entitling to shares. The authorisation may be used to issue both new shares and shares held by the company. New shares may be issued, and shares held by the company may be transferred either against payment or free of charge. In the issue and transfer of shares, option rights and other special rights entitling to shares, the shareholders' pre-emptive subscription rights (directed issue) may be derogated from if there is a weighty economic reason from the company's point of view, such as the use of shares to develop the company's capital structure, to implement possible acquisitions, investments or other arrangements relating to the company's business or to implement the company's commitment and incentive schemes. The Board of Directors may also decide on a share issue free of charge to the company itself.

The authorisation annuls the authorisation given to the Board of Directors by the Annual General Meeting of 20 March 2024. The authorisation is effective until the end of the next Annual General Meeting, however no longer than until 30 June 2026.

Authorisation to repurchase of own shares

Fondia Plc's Annual General Meeting held on 20 March 2025, authorised the Board to decide on the repurchase of company's own shares as follows:

The number of own shares to be repurchased on the basis of the authorisation shall not exceed 300,000 shares in total, which corresponds to approximately 7.6% of the current total number of the shares in the company. However, the company, together with its subsidiaries, may not own and/or pledge more than 10% of all shares in the company at any time. Own shares may only be repurchased on the basis of the authorisation by using the unrestricted equity of the company.

Own shares can be repurchased on the repurchase date at a price formed in multilateral trading or otherwise at a price formed in the market. Shares may also be repurchased outside public trading at a price that does not exceed the market price in public trading at the time of acquisition.

The Board of Directors decides how the shares are repurchased. Own shares may be repurchased other than in proportion to the shares held by the shareholders (directed repurchase) if there is a weighty financial reason for the company within the meaning of Chapter 15, Section 6 of the Companies Act.

Own shares may be repurchased for the purpose of developing the company's capital structure, for transfer for the purpose of financing or implementing possible acquisitions, investments or other arrangements relating to the company's business, for use in the company's incentive schemes or otherwise for further transfer, retention or annulment.

The authorisation annuls the authorisation given to the Board of Directors by the Annual General Meeting of 20 March 2024. The authorisation is effective until the end of the next Annual General Meeting, however no longer than until 30 June 2026.

Risks and business uncertainties

Short-time uncertainties relate in particular to geopolitical uncertainty and its economic consequences, as well as increased security threats. However, Fondia does not consider the risk of credit losses to have increased significantly as a result of uncertainty. The change in work culture triggered by the pandemic will continue to intensify competition for employees and lower the threshold for employee mobility.

Company-specific long-term uncertainties relate to the company's ability to recruit, motivate and retain skilled employees. Furthermore, Fondia believes that it is dependent on its IT systems and that any shortcomings, disruptions or failures in IT systems could adversely affect business operations. Fondia also keeps an eye on developments in the European security and economic situation and their potential impact on the private sector.

Estimate of likely future developments and outlook for 2026

Fondia expects in the 2026 financial year the Group's net sales to grow and the adjusted EBITDA margin to improve compared to the previous year.

Events after the financial year

No significant events after the reporting period.

Medium-term financial objectives and profit distribution policy

Fondia's Board of Directors approved the company's updated medium-term financial targets on 19 May 2025. Fondia's medium-term target is for the company's organic growth-% and adjusted EBITDA-% to total at least 20% annually. In accordance with the profit distribution policy, the company's goal is to distribute at least two thirds (2/3) of its earnings per share as dividends to shareholders. Profit distribution will take into consideration Fondia's profit development and prospects, as well as future investment needs.

Board of Directors' proposal for the distribution of profit

The Board of Directors proposes to the AGM that, based on the financial statements to be approved for 2025, an actual dividend of EUR 0,30 per share to be paid for each share entitled to dividend.

The parent company's distributable funds at the end of the financial year were EUR 7,313,264.60 of which EUR 644,077.59 was profit for the financial year.

Publication of financial information in 2026

The financial statements, the report of the Board of Directors and the auditor's report will be published no later than on week 9 in a company release and on the company's website. The Annual General Meeting is scheduled to be held on Thursday 19 March 2026, at 3.00 p.m. EET. The Board of Directors will decide separately on the convening of the Annual General Meeting.

The Half-yearly Financial Report January–June 2026 will be published on Thursday 20 August 2026. In addition to the financial statements release and the Half-yearly Financial Report, the business reviews will be published after the first quarter on Thursday 23 April 2026, and after the third quarter on Thursday 20 October 2026

Consolidated Income Statement

	Jan 1, 2025– Dec 31, 2025	Jan 1, 2024– Dec 31, 2024
NET SALES	23,929,382.42	25,627,651.91
Other operating income	74,511.75	6,907.46
Materials and services		
External services	-391,532.05	-374,660.83
	<u>391,532.05</u>	<u>-374 660,83</u>
Personnel expenses		
Wages and salaries	-12,303,250.86	-13,475,563.50
Social security expenses		
Pension expenses	-2,776,243.79	-3,100,902.34
Other social security expenses	-465,818.01	-459,070.52
	<u>-15,545,312.66</u>	<u>-17,035,536.36</u>
Depreciation and amortisation		
Group goodwill amortisation	-200,244.96	-200,244.96
Depreciation and amortisation according to plan	-817,486.05	-720,219.36
	<u>-1 017 731.01</u>	<u>-920,464.32</u>
Other operating expenses	-6,078,262.11	-6,286,629.82
OPERATING PROFIT (LOSS)	971,056.33	1,017,268.03
Financial income and expenses		
Interest and other financial income		
From others	8,218.00	73,815.83
Consolidation exchange rate difference	-4,214.46	-6,726.40
Interest and other financial expenses		
To others	-22,332.61	-17,053.58
	<u>-18,329.07</u>	<u>50,035.85</u>
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	952,277.26	1,067,303.88
Income taxes		
Income taxes for the financial year	-385,001.94	-416,119.75
	<u>-385,001.94</u>	<u>-416,119.75</u>
PROFIT (LOSS) FOR THE FINANCIAL YEAR	567,275.32	651,184.13

Consolidated balance sheet

	Dec 31,2025	Dec 31,2024
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Goodwill on consolidation	417,176.77	617,421.73
Other intangible assets	1,593,459.77	1,385,151.23
Prepayments	0.00	52,484.17
	<u>2,010,636.54</u>	<u>2,055,057.13</u>
Tangible assets		
Machinery and equipment	243,718.37	170,020.42
Other tangible assets	8,646.70	8,646.70
	<u>243,365.07</u>	<u>178,667.12</u>
NON-CURRENT ASSETS TOTAL	2,254,001.61	2,233,724.25
CURRENT ASSETS		
Receivables		
Long-term receivables		
Other receivables	22,586.31	4,125.95
	<u>22,586.31</u>	<u>4,125.95</u>
Short-term receivables		
Trade receivables	3,624,453.08	2,477,542.29
Other receivables	23,424.6	21,404.07
Prepayments and accrued income	392,761.40	467,058.25
	<u>4,043,639.34</u>	<u>2,966,004.61</u>
Cash in hand and at banks	290,693.27	2,243,975.87
CURRENT ASSETS TOTAL	4,356,918.92	5,214,106.43
ASSETS TOTAL	6,610,920.54	7,447,830.67

Consolidated balance sheet

	Dec 31, 2025	Dec 31, 2024
EQUITY AND LIABILITIES		
EQUITY		
Share capital	100,000.00	100,000.00
Reserve for invested unrestricted equity	3,728,179.82	3,728,179.82
Retained earnings	-1,931,633.19	-1,461,043.82
Profit (loss) for the financial year	567,725.32	651,184.13
Conversion differences	-40,368.36	-58,519.43
EQUITY TOTAL	2,423,903.59	2,959,800.69
LIABILITIES		
Current liabilities		
Loans from financial institutions	213,240.61	129,507.07
Advances received	165,849.71	129,507.07
Trade payables	482,700.67	505,828.21
Other payables	1,275,011.48	1,436,085.08
Accruals and deferred income	2,050,214.48	2,416,609.61
	4,187,016.95	4,488,029.97
LIABILITIES TOTAL	4,187,016.95	4,488,029.97
EQUITY AND LIABILITIES TOTAL	6,610,920.54	7,447,830.67

Consolidated cash flow statement

	Jan 1, 2025– Dec 31, 2025	Jan 1, 2024– Dec 31, 2024
Cash flow from operating activities		
Profit (loss) before appropriations and taxes	952,727.26	1,067,303.88
Adjustments:		
Depreciation and amortisation according to plan	1,017,731.01	920,464.32
Unrealised exchange rate gains and losses	12,735.84	-34,747.01
Financial income and expenses	18,329.08	-50,035.85
Cash flow before change in working capital	2,001,523.19	1,902,985.34
Change in working capital:		
Increase (-) / decrease (+) in current non-interest-bearing receivables	-1,137,662.82	65,431.44
Increase (-) / decrease (+) in current non-interest-bearing liabilities	-492,457.08	-55,961.05
Cash flow from operating activities before financial items and taxes	371,403.29	1,912,455.73
Interest and other financial expenses paid	-20,833.16	-17,053.58
Interest and other financial incomes received	10,739.26	97,052.49
Income taxes paid	-358,976.18	-521,878.07
Cash flow from operating activities (A)	2,333.21	1,470,576.58
Cash flow from investing activities		
Acquisition of tangible and intangible assets	-1,038,008.37	-774,280.62
Cash flow from investing activities (B)	-1,038,008.37	-774,280.62
Cash flow from financing activities		
Acquisition of own shares	0.00	-605,160.91
Dividends paid	-1,121,773.50	-1,969,846.20
Overdraft	213,240.61	0.00
Long-term guarantee increase	-16,337.85	-5,236.06
Long-term guarantee decrease	7,263.32	4,695.00
Cash flow from financing activities (C)	-917,607.42	-2,575,548.17
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-1,953,282.60	-1,879,252.19
Cash and cash equivalents at the beginning of period	2,243,975.87	4,123,228.06
Cash and cash equivalents at the end of the period	290,693.27	2,243,975.87
Change in cash and cash equivalents	-1,953,282.60	-1,879,252.19

Income statement

	Jan 1, 2025– Dec 31, 2025	Jan 1, 2024– Dec 31, 2024
NET SALES	18,609,900.32	20,319,198.23
Other operating income	326,706.00	317,238.00
Materials and services		
External services	-633,547.28	-738,574.31
	-633,547.28	-738,574.31
Personnel expenses		
Wages and salaries	-9,243,827.83	-10,215,788.21
Social security expenses		
Pension expenses	-1,562,881.72	-1,825,555.34
Other social security expenses	-234,701.43	-216,147.28
	-11,041,410.98	-12,257,490.83
Depreciation and amortisation		
Depreciation and amortisation according to plan	-802,622.37	-711,843.90
	-802,622.37	-711,843.90
Other operating expenses	-4,539,353.87	-4,912,657.82
OPERATING PROFIT (LOSS)	1,919,671.82	2,015,869.37
Financial income and expenses		
Interest and other financial income		
From others	6,634.00	62,079.64
Impairment on investments in non-current assets		
Impairment of group receivables	-885,000.00	0.00
Interest and other financial expenses		
To others	12,226.80	-9,702.05
	-890,590.28	52,377.59
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	1,029,079.54	2,068,246.96
Income taxes		
Income taxes for the financial year	-385,001.95	-414,771.75
	-385,001.95	-414,771.75
PROFIT (LOSS) FOR THE FINANCIAL YEAR	644,077.59	1,653,475.21

Balance sheet

	Dec 31, 2025	Dec 31, 2024
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	1,543,189.42	1,385,151.23
Other intangible assets	1,543,189.42	1,385,151.23
Tangible assets		
Machinery and equipment	116,398.46	155,197.98
Other tangible assets	8,646.70	8,646.70
	125,045.16	163,844.68
Investments		
Holdings in group undertakings	5,488,793.66	5,339,793.66
	5,488,793.66	5,339,793.66
NON-CURRENT ASSETS TOTAL	7,157,028.24	6,888,789.57
CURRENT ASSETS		
Receivables		
Long-term receivables		
Receivables from group undertakings	379,000.00	833,000.00
Other receivables	1,665.00	1,665.00
	380,665.00	834,665.00
Short-term receivables		
Trade receivables	2,928,333.00	1,942,643.98
Receivables from group undertakings	261,873.40	46,073.56
Other receivables	4,728.16	6,853.58
Prepayments and accrued income	240,741.97	252,129.51
	3,435,676.53	2,247,700.63
Cash in hand and at banks	37,713.11	1,485,085.28
CURRENT ASSETS TOTAL	3,854,054.64	4,567,450.91
ASSETS TOTAL	11,011,082.88	11,456,240.48

Balance sheet

	Dec 31, 2025	Dec 31, 2024
EQUITY AND LIABILITIES		
EQUITY		
Share capital	100,000.00	100,000.00
Reserve for invested unrestricted equity	3,728,179.82	3,728,179.82
Retained earnings	2,941,007.19	2,409,305.48
Profit (loss) for the financial year	644,077.59	1,653,475.21
EQUITY TOTAL	7,413,264.60	7,890,960.51
LIABILITIES		
Current liabilities		
Loans from financial institutions	213,240.61	0.00
Advances received	76,521.99	55,638.75
Trade creditors	369,229.65	290,141.11
Amounts owed to group undertakings	56,292.22	36,269.27
Other creditors	1,044,052.93	1,075,314.67
Accruals and deferred income	1,838,480.88	2,107,916.17
	3,597,818.28	3,565,279.97
LIABILITIES TOTAL	3,597,818.28	3,565,279.97
EQUITY AND LIABILITIES TOTAL	11,011,082.88	11,456,240.48

Cash flow statement

	Jan 1, 2025– Dec 31, 2025	Jan 1, 2024– Dec 31, 2024
Cash flow from operating activities		
Profit (loss) before appropriations and taxes	1,029,079.53	2,068,246.96
Adjustments:		
Depreciation and amortisation according to plan	802,622.37	711,843.90
Other non-cash income and expenses	885,000.00	0.00
Financial income and expenses	5,592.28	-52,377.59
Cash flow before change in working capital	2,722,294.18	2,793,239.40
Change in working capital:		
Increase (-) / decrease (+) in current non-interest-bearing receivables	-1,237,703.44	10,278.19
Increase (-) / decrease (+) in current non-interest-bearing liabilities	-204,203.70	-221,853.29
Cash flow from operating activities before financial items and taxes	-1,280,387.04	2,516,138.17
Interest and other financial expenses paid	-10,727.35	-9,702.05
Interest and other financial incomes received	8,133.85	74,193.51
Income taxes paid	-314,771.78	-512,217.37
Cash flow from operating activities (A)	963,021.76	2,068,412.26
Cash flow from investing activities		
Acquisition of tangible and intangible assets	-921,861.04	-721,796.45
Long-term borrowings	-580,000.00	-410,000.00
Cash flow from investing activities (B)	-1,501,861.04	-1,131,796.45
Cash flow from financing activities		
Acquisition of own shares	0.00	-605,160.91
Dividends paid	-1,121,773.50	-1,969,846.20
Overdraft	213,240.61	0.00
Cash flow from financing activities (C)	-908,532.89	-2,575,007.11
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	-1,447,372.17	-1,638,931.30
Cash and cash equivalents at the beginning of period	1,485,085.28	3,123,476.58
Cash and cash equivalents at the end of the period	37,713.11	1,485,085.28
Change in cash and cash equivalents	-1,447,372.17	-1,638,391.30

Notes to the financial statements 31 December 2025

Principles for preparing consolidated financial statements

Scope of consolidated financial statements

The balance sheet has been converted into Finnish currency using the exchange rate on the balance sheet date. The consolidated financial statements include the parent company Fondia Plc and its subsidiaries Fondia Legal Services AB, Fondia Eesti Oü (until 31 December 2021, known as Fondia Baltic Oü), and Fondia Lietuva UAB. Fondia Plc owns all subsidiaries 100%.

Fondia Lietuva acquired 100% ownership of Intels UAB on 10 August 2023.

Intels UAB has been consolidated in the consolidated result for the period 1.9.2023-31.12.2024.

The group reserve of EUR 10,558.98 resulting from the acquisition of the company has been recognised in 2023.

Intels UAB has been removed from the local trade register on 17 April 2025.

Accounting policies for consolidated financial statements

The consolidated financial statements have been prepared in accordance with Finnish Accounting Standards (FAS). The consolidated financial statements have been prepared using the acquisition cost method. All internal transactions, mutual ownership, receivables, and liabilities within the group have been eliminated.

The income statement of the foreign currency-denominated subsidiary has been converted into Finnish currency using the monthly average exchange rate.

Valuation policies and methods for consolidated financial statements

Intangible assets recognised as non-current assets in the group's balance sheet have been valued at their acquisition cost deducted with depreciations according to plan and tangible assets have been valued at their variable acquisition cost deducted with depreciations according to plan.

Group financial statements' policies and methods of periodisation

The acquisition costs of the intangible and tangible assets belonging to the group's non-current assets are depreciated according to a pre-determined plan. Depreciations have been adjusted with tax depreciations.

Basis and changes of group's depreciations according to plan

Asset group	Estimated economic useful life	Depreciation percentage/ method of depreciation
Intangible assets		
Capitalised improvement of leasehold office space	7–8 years	straight-line depreciation
Capitalised improvement of leasehold office space	10 years	straight-line depreciation
Other intangible assets	5 years	straight-line depreciation
Other intangible assets	3 years	straight-line depreciation
Group goodwill	10 years	straight-line depreciation
Tangible assets		
Machinery and equipment		Declining balance method depreciation at 25%
Machinery and equipment	3–5 years	straight-line depreciation

Principles for preparing parent company's financial statements
Valuation policies and methods

Intangible assets recognized as non-current assets in the Company's balance sheet have been valued at their acquisition cost deducted with depreciations according to plan.

Tangible assets have been valued at their variable acquisition cost deducted with depreciations according to plan.

Trade, loan and other receivables included in financial assets are valued at their nominal value or at a lower fair value.

Principles and methods of periodisations

The acquisition costs of the intangible and tangible assets belonging to the Company's fixed assets are depreciated according to a pre-determined plan. Depreciations are adjusted with tax depreciation.

Asset acquisitions with an economic useful life of less than three years, as well as low-value acquisitions, are fully expensed in the acquisition period.

Basis and changes of the depreciation according to plan of the parent company

Asset group	Estimated economic useful life	Depreciation percentage/ method of depreciation
Intangible assets		
Capitalised improvement of leasehold office space	7–8 years	straight-line depreciation
Other intangible assets	5 years	straight-line depreciation
Other intangible assets	3 years	straight-line depreciation
Tangible assets		
Machinery and equipment		Declining balance method depreciation at 25%

NOTES TO THE INCOME STATEMENT

Distribution of net sales	Group 2025	Group 2024	Parent 2025	Parent 2024
Finland	18,472,316.08	20,187,697.78	18,609,900.32	20,319,198.23
Sweden	4,501,694.85	4,606,199.00		
Estonia	677,389.04	575,783.68		
Lithuania	277,982.45	257,971.45		
Total	23,929,382.42	25,627,651.91	18,609,900.32	20,319,198.23

Other operating income	Group 2025	Group 2024	Parent 2025	Parent 2024
Rental income	65,086.38	0.00	0.00	0.00
Management fee/Intra-group	0.00	0.00	323,916.00	314,448.00
Other income	9,425.37	6,907.46	2,790.00	2,790.00
Total	74,511.75	6,907.46	326,706.00	317,238.00

Depreciation and reduction in value	Group 2025	Group 2024	Parent 2025	Parent 2024
Intangible assets				
Group goodwill	200,244.96	200,244.96	0.00	0.00
Other intangible assets	766,468.67	660,111.20	763,822.85	660,111.20
Total Intangible assets	966,713.63	860,356.16	763,822.85	660,111.20
Tangible assets				
Machinery and equipment	51,137.80	60,082.86	38,799.52	51,732.70
+/-Exchange rate differences arising from consolidation	-120.42	25.30	0.00	0.00
Total tangible assets	51,017.38	60,108.16	38,799.52	51,732.70
Total	1,017,731.01	920,464.32	802,622.37	711,843.90

Auditor's fees	Group 2025	Group 2024	Parent 2025	Parent 2024
Audit	31,349.87	33,129.73	21,940.00	21,450.00
Other services	4,620.00	0.00	4,620.00	0.00
Total	35,969.87	33,129.73	26,560.00	21,450.00

NOTES TO ASSETS

Intangible assets	Group 2025	Group 2024	Parent 2025	Parent 2024
Group goodwill				
Acquisition cost 1.1.	2,034,077.66	2,034,077.66	0.00	0.00
Acquisition cost 31.12.	2,034,077.66	2,034,077.66	0.00	0.00
Accumulated depreciation and reduction in value 1.1	-1,416,655.95	-1,216,410.99	0.00	0.00
- Depreciation of the financial period	-200,244.96	-200,244.96	0.00	0.00
Accumulated depreciation and reduction in value 31.12	-1,616,900.91	-1,416,655.95	0.00	0.00
Book value 31.12	417,176.77	617,421.72	0.00	0.00
Book value 1.1	617,421.73	817,666.69	0.00	0.00
Other intangible assets				
Acquisition cost 1.1	5,116,778.57	4,385,260.47	5,064,294.40	4,385,260.47
+ Additions	922,293.04	731,518.10	921,861.04	679,033.93
Acquisition cost 31.12	6,039,071.61	5,116,778.57	5,986,155.44	5,064,294.40
Accumulated depreciation and reduction in value 1.1	-3,679,143.17	-3,019,031.97	-3,679,143.17	-3,019,031.97
- Depreciation of the financial period	-766,468.67	-660,111.20	-763,822.85	-660,111.20
Accumulated depreciation and reduction in value 31.12	-4,445,611.84	-3,679,143.17	-4,442,966.02	-3,679,143.17
Book value 31.12	1,593,459.77	1,437,635.40	1,543,189.42	1,385,151.23
Book value 1.1	1,437,635.40	1,366,228.50	1,385,151.23	1,366,228.50
Total intangible assets	2,010,636.54	2,055,057.13	1,543,189.42	1,385,151.23
Tangible assets				
Machinery and equipment				
Acquisition cost 1.1	949,502.20	909,134.62	862,590.82	819,828.30
+ Additions	114,967.97	42,762.52	0.00	42,762.52
+/-Exchange rate differences arising from consolidation	-4,312.68	-2,394.94	0.00	0.00
Acquisition cost 31.12	1,068,782.85	949,502.20	862,590.82	862,590.82
Accumulated depreciation and reduction in value 1.1	-779,481.88	-721,046.13	-707,392.93	-655,660.23
- Depreciation of the financial period	-51,137.80	-60,082.86	-38,799.52	-51,732.70
+/-Exchange rate differences arising from consolidation	-3,44.91	1,647.11	0.00	0.00
Accumulated depreciation and reduction in value 31.12	-834,064.59	-779,481.88	-746,192.45	-707,392.93
Book value 31.12	234,718.37	170,020.42	116,398.46	155,197.98
Book value 1.1	170,020.42	188,088.59	155,197.98	164,168.16

Other tangible assets

Acquisition cost 1.1	8,646.70	8,646.70	8,646.70	8,646.70
Acquisition cost 31.12	8,646.70	8,646.70	8,646.70	8,646.70
Book value 31.12	8,646.70	8,646.70	8,646.70	8,646.70
Book value 1.1	8,646.70	8,646.70	8,646.70	8,646.70

Total tangible assets	243,365.07	178,667.12	125,045.16	163,844.68
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Group companies
Ownership in subsidiary companies

	Owner- ship %	2025 Book value	2024 Book value
Fondia Legal Services AB, Sweden	100 %	4,472,793.66	4,472,793.66
Fondia Eesti Ou, Estonia	100 %	763,500.00	614,500.00
Fondia Lietuva UAB, Lithuania	100 %	252,500.00	252,500.00
Total		5,488,793.66	5,339,793.66

Receivables from companies within the same group

	Parent 2025	Parent 2024
Long-term loan receivables	1,264,000.00	833,000.00
Long-term loan receivables / impairment	-885,000.00	0.00
Trade receivables	261,873.40	46,073.56
Total	640,873.40	879,073.56

On 19 November 2025, the Company's board of directors decided to write down part of Fondia Lietuva UAB's loan receivable based on the principle of prudence.

Accruals and deferred charges

	Group 2025	Group 2024	Parent 2025	Parent 2024
Tax accrual	0.00	48,228.21	0.00	48,228.21
Payroll accruals	30,232.56	0.00	30,232.56	0.00
Interest accrual	0.00	5,736.79	0.00	1,499.33
Prepaid expenses	362,528.84	413,082.68	210,509.41	202,391.40
Other accruals and deferred charges	0.00	10.57	0.00	10.57
Total	392,761.40	467,058.25	240,741.97	252,129.51

NOTES TO LIABILITIES

Shareholders' equity	Group 2025	Group 2024	Parent 2025	Parent 2024
Share capital 1.1	100,000.00	100,000.00	100,000.00	100,000.00
Share capital 31.12	100,000.00	100,000.00	100,000.00	100,000.00
Total restricted shareholders' equity 31.12	100,000.00	100,000.00	100,000.00	100,000.00
Reserve for invested unrestricted equity 1.1	3,728,179.82	3,728,179.82	3,728,179.82	3,728,179.82
Reserve for invested unrestricted equity 31.12	3,728,179.82	3,728,179.82	3,728,179.82	3,728,179.82
Retained earnings 1.1	-809,859.69	1,113,963.28	4,062,780.69	4,984,312.59
Dividend distribution	-1,121,773.50	-1,969,846.20	-1,121,773.50	-1,969,846.20
Acquisition of own shares	0.00	-605,160.91	0.00	-605,160.91
Retained earnings 31.12	-1,931,633.19	-1,461,043.82	2,941,007.19	2,409,305.48
Profit / loss for the financial period	567,725.32	651,184.13	644,077.59	1,653,475.21
Foreign exchange gain/loss	-40,368.36	-58,519.43	0.00	0.00
Unrestricted shareholders' equity 31.12	2,323,903.59	2,859,800.69	7,313,264.60	7,790,960.51
TOTAL EQUITY	2,423,903.59	2,959,800.69	7,413,264.60	7,890,960.51

Parent company's distributable unrestricted equity

	Parent 2025	Parent 2024
Reserve for invested unrestricted equity	3,728,179.82	3,728,179.82
Retained earnings	2,941,007.19	2,409,305.48
Profit/loss for the financial period	644,077.59	1,653,475.21
Total distributable unrestricted equity	7,313,264.60	7,790,960.51

Amounts owed to companies within the same group

	Parent 2025	Parent 2024
Accounts payable	56,292.22	36,269.27
Total	56,292.22	36,269.27

Accruals and deferred income

	Group 2025	Group 2024	Parent 2025	Parent 2024
Tax accrual	22,566.50	42,168.04	22,001.95	0.00
Accrued payroll and related social costs	1,946,975.23	2,280,037.21	1,752,843.99	2,031,573.90
Accrued expenses	22,883.48	10,255.86	22,883.48	10,255.86
Accrued interests	1,499.45	0.00	1,499.45	0.00
Other accruals and deferred income	56,289.83	84,148.50	39,252.01	66,086.41
Total	2,050,214.48	2,416,609.61	1,838,480.88	2,107,916.17

NOTES ON INCOME TAXES

On 31 December 2025, the group has confirmed losses in Sweden totaling 2,115,016.35 euros. The losses have not been recorded as a deferred tax asset in accordance with the principle of prudence.

GUARANTEES AND CONTINGENT LIABILITIES

Leasing agreement liabilities	Group 2025	Group 2024	Parent 2025	Parent 2024
Payable during the following financial period	144,308.74	94,382.01	133,164.63	88,051.43
Payable in later years	148,825.86	80,490.36	140,944.15	73,522.38
Total	293,134.60	174,872.37	274,108.78	161,573.81

The amounts do not include VAT, but are subject to applicable VAT.

Rental liabilities for premises	Group 2025	Group 2024	Parent 2025	Parent 2024
Payable during the next financial period	1,622,764.18	1,683,283.80	1,255,902.63	1,192,978.62
Payable in later years	3,076,050.92	3,690,917.87	2,367,530.99	3,421,289.55
Total	4,698,815.10	5,374,201.67	3,623,433.62	4,614,268.17

Rental guarantees for premises	100,179.40	71,427.66	5,511.48	5,511.48
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The amounts do not include VAT, but are subject to applicable VAT.

In addition, the rental guarantee is secured by a bank guarantee. 297,369.36 297,369.36

Other liabilities	Parent 2025	Parent 2024
Checking account limit	1,500,000.00	1,000,000.00
Of which in use	213,240.61	0.00
Corporate mortgage for own debts	1,720,000.00	1,120,000.00

RELATED PARTY TRANSACTIONS

In its operations, Fondia is committed to complying with the provisions of the Corporate governance in its entirety, which is why the Company applies the related party definition for listed companies in accordance with Chapter 1, Section 12 of the Limited Liability Companies Act (IAS 24).

The company had no other related party transactions during the financial period, apart from intra-group loans and debts.

NOTES SUPPLEMENTING THE REPORT OF THE BOARD OF DIRECTORS
Average number of personnel

	Group 2025	Group 2024	Parent 2025	Parent 2023
Full-time equivalent (FTE) employees	141	162	99	114
	<u>141</u>	<u>162</u>	<u>99</u>	<u>114</u>
	Group 2025	Group 2024	Parent 2025	Parent 2024
Headcount (HC) of employed personnel	161	181	112	131
	<u>161</u>	<u>181</u>	<u>112</u>	<u>131</u>

To further specify its reporting, the Company reports not only the headcount (HC) of employed personnel, but also the full-time equivalent (FTE) number of employees working.

The difference in numbers is affected by various factors in the Company, such as law students in internship programmes, employees on family or study leave, and other part-time employees.

Employee share savings plan

The employee share savings plan for the entire permanent personnel of the group was introduced in 2019.

	2025	2024
Total number of shares acquired with savings, 31 December	31,784	31,466
- which entitled to a total number of gratuitous shares	15,892	15,733

The shares are paid partly in company shares and partly in cash.

An accrual has been made in the financial statements for the portion to be paid in cash.

During the financial period 2025, a total of 2,668 of the Company's own shares held were given free to 32 individuals who participated in the Company's employee share savings plan during the savings period of 2022-2023.

The transfer of shares is based on the terms of the share savings plan.

The Company's Board of Directors has decided to continue the share savings plan for the savings period of 2026-2027.

Management salaries and compensation

	Group 2025	Group 2024	Parent 2025	Parent 2024
	550,955.57	755,028.39	318,423.13	425,973.86

New share-based commitment and incentive plan

The Company's Board of Directors launched on 1 January 2022, a new long-term share-based commitment plan for separately selected company participants

The first earning period of the share-based commitment plan started 1 January 2022, and ended 31 December 2024.

The second earning period of the share-based commitment plan started 1 January 2023, and ended 31 December 2025.

The third earning period of the share-based commitment plan started 1 January 2024, and ends 31 December 2026.

The fourth earning period of the share-based commitment plan started 1 January 2025, and ends 31 December 2027.

The earning period has earning criteria set by the Board of Directors, which the Company monitors and evaluates annually. The earning criteria are verifiable at the end of the review, so the Company evaluates the development of the criteria annually and reserves the necessary shares for the participants.

	2025	2024
Estimated share earnings for the first review period of the commitment plan 31 December.	39,585	14,189

The Company's Board of Directors has decided during the financial period on the fifth earning period of the share-based commitment plan.

The fifth earning period of the share-based commitment plan starts on 1 January 2026, and ends on 31 December 2028.

Board of Directors' proposal regarding the parent company's net result

The parent company's distributable funds at the end of the financial year were EUR 7,313,264.60, of which EUR 644,077.59 was profit for the financial year.

The Board of Directors proposes to the AGM that, based on the financial statements to be approved for 2025, an actual dividend of EUR 0.30 per share to be paid for each share entitled to dividend.

The number of shares on 31 December 2025 was 3,953,134.

There have been no significant changes in Fondia's financial position since the end of the financial period.

The Company's liquidity is strong, and it is the view of the Board of Directors that the proposed dividend distribution does not compromise the Company's solvency.

The number of shares of the parent company by share class

	2025	2024
Total	3,953,134	3,953,134

Structuring and financing arrangements

Authorisations of the Board of Directors

The Annual General Meeting on 20 March 2025, decided in accordance with the proposal of the Board of Directors to Authorize the Board to decide on a share issue and granting rights for option and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Finnish Limited Liability Companies Act.

Based on the authorisation, a maximum of 390,000 shares (including shares to be issued on the basis of special rights) may be issued, which corresponds to approximately 9,9 % of the current total number of shares in the Company.

Based on the authorisation, both new shares and shares held by the Company can be issued. New shares can be issued and shares held by the Company can be transferred either for a fee or free of charge. When issuing and transferring shares, option rights, and other special rights that entitle to shares, the pre-emptive right of shareholders (directed share issue) may be deviated from if there is a significant financial reason for the Company.

This authorisation revokes the authorisation given by the Annual General Meeting on 23 March 2024. The authorisation is valid until the next Annual General Meeting, but not later than 30 June 2026.

Company's own shares

The Annual General Meeting also authorised the Board of Directors to acquire own shares.

The authorisation revokes the authorisation granted by the Annual General Meeting on 23 March 2024. The authorisation is valid until the next Annual General Meeting, but not later than 30 June 2026.

The total number of own shares to be acquired under the authorisation is up to 300,000 shares, which represents approximately 7,6% of the current total number of shares in the Company.

However, the Company, together with its subsidiaries, may not own and/or pledge more than 10% of all the shares in the Company at any time.

Own shares may be acquired otherwise than in proportion to the shares owned by the shareholders (directed acquisition) if there is a significant financial reason for the Company to do so.

The Board of Directors did not exercise this authorisation during the financial period 1 January – 31 December 2025.

During the financial period 2025, the Company did not acquire any of its own shares.

During the financial period 2025, the Company has transferred 2,668 of its own shares free of charge as part of the Employee Share Savings Plan.

The Company has 213,889 own shares on 31 December 2025, which corresponds to approximately 5,41% of all the shares in the Company. Total of EUR 1,576,421.07 has been used for the acquisition of own shares.

CALCULATION OF KEY FIGURES

EBITDA	=	Net sales + other operating income – materials and services – employee expenses – other operating expenses	
EBITDA as % of net sales	=	$\frac{\text{EBITDA}}{\text{Net sales}}$	x 100
Adjusted EBITDA	=	EBITDA + non-recurring items	
Adjusted EBITDA as % of net sales	=	$\frac{\text{Adjusted EBITDA}}{\text{Net sales}}$	x 100
Operating profit (EBIT)	=	EBITDA – depreciation and amortization	
Operating profit (EBIT) as % of net sales	=	$\frac{\text{Operating profit (EBIT)}}{\text{Net sales}}$	x 100
Adjusted operating profit (EBIT)	=	$\frac{\text{EBIT} + \text{non-recurring items}}{\text{Net sales}}$	
Adjusted operating profit (EBIT) as % of net sales	=	$\frac{\text{Adjusted operating profit (EBIT)}}{\text{Net sales}}$	x 100
Profit	=	EBIT – interest – taxes	
Profit as % of net sales	=	$\frac{\text{Profit}}{\text{Net sales}}$	x 100
Adjusted profit	=	Profit + non-recurring items	
Adjusted profit for period as % of net sales	=	$\frac{\text{Adjusted profit}}{\text{Net sales}}$	x 100
Equity ratio, %	=	$\frac{\text{Equity} + \text{minority interest}}{\text{Balance sheet total} - \text{advances received}}$	x 100
Return on equity (ROE), %	=	$\frac{\text{Profit after financial items} - \text{income taxes}}{\text{Equity} + \text{minority interest (average during the year)}}$	x 100
Net gearing, %	=	$\frac{\text{Interest-bearing liabilities} - \text{cash and bank receivables}}{\text{Equity} + \text{minority interest}}$	x 100

SIGNATURES OF THE FINANCIAL STATEMENTS

Helsinki, _____ / _____ 2026

Timo Lappi
CEO

Johan Hammarén
Chairman of the board

Sami Honkonen
Member of the board

Katariina Lindholm
Member of the board

AUDITOR'S NOTE

A report on the performed audit has been issued today.

Helsinki, _____ / _____ 2026

Grant Thornton Oy
Auditing firm

Peter Åhman
Authorised Public Accountant (KHT)

LIST OF LEDGERS AND VOUCHERS

List of ledgers and vouchers including their archiving methods

Financial statements

Financial statements and balance sheet breakdown

Chart of accounts and balance listings

Profit and loss statement by accounts

Balance sheet by accounts

Chart of accounts

Ledgers

General journal and ledger

Sales ledger

Purchase ledger

Payroll ledger

JOURNAL TYPES AND STORAGE METHOD

Automatically made by system (VAT)	AT
Accruals	JK
Vouchers Bezala	KU
Sales invoices	ML
Payment receipt from sales	MS
Sales invoices Lyyti	ML 3
Other	MU
Salaries	PL
Bank vouchers Nordea	PT 1
Bank vouchers Nordea	PT 2
Bank vouchers OP	PT 3
Purchase invoices	OL
Payments of purchases	OS
Automatic financial year-end bookings	T
Vouchers for notes to the financial statements	LTT

All materials are stored electronically.

Grant Thornton Oy

PL/P.O. Box 18

Tietokuja 4

FI-00271 Helsinki

AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of Fondia Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fondia Oyj (business identity code 0706964-1) for the year ended 31 December, 2025. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information that we have received before issuing this audit opinion is the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our

responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement in the report of the Board of Directors, we are required to report this fact. We have nothing to report in this regard.

In Helsinki, 10.2.2026

Grant Thornton Oy
Audit firm

Peter Åhman
Authorized Public Accountant



Corporate Governance Statement 2025

CORPORATE GOVERNANCE STATEMENT 2025

I. Introduction

Fondia Plc ("Fondia" or "company") is a Finnish public limited liability company, the duties and responsibilities of its governing bodies are determined by Finnish law. The company is domiciled in Helsinki. The company is the parent company of the Fondia Group, which includes subsidiaries in Sweden, Estonia and Lithuania (the "Group").

In accordance with the Companies Act and the Articles of Association, the administration and management of the company is divided between the shareholders, the Board of Directors ("Board") and the Chief Executive Officer ("CEO"). The CEO is assisted in the management of the company by the Group Management Team.

In accordance with the decision of the Board, the company voluntarily complies with the recommendations of the Finnish Corporate Governance Code for listed companies ("Corporate Governance Code"). The latest Corporate Governance Code entered into force on 1 January 2025. The Corporate Governance Code is available on the website of the Finnish Securities Markets Association at <https://www.cgfinland.fi/en/>.

During the financial year 2025, Fondia complied with all recommendations of the applicable Corporate Governance Code, except for a temporary deviation from recommendation 21, according to which the CEO should not be elected as Chair of the Board. The Chair of the Board, Timo Lappi, was appointed as the company's interim CEO from 22 January 2025 onwards, and he held both positions simultaneously. Timo Lappi was appointed as permanent CEO on 19 May 2025, at which point he resigned from the Board membership due to his appointment. At the same time, the Board elected Deputy Chair Johan Hammarén as Chair of the Board from 19 May 2025 onwards.

Fondia's certified adviser is Aktia Alexander Corporate Finance Oy. The company's certified adviser ensures that the company complies with the requirements and obligations of the First North Growth Market Finland marketplace operated by Nasdaq Helsinki Oy.

Fondia publishes this Corporate Governance Statement separately from the Board of Directors' report for the financial year 2025. The financial statements and the report, this statement and the remuneration report of the governing bodies are published on Fondia's website <https://investors.fondia.com/fi/en/releases-and-publications/reports-and-presentations> and as a company release. Further information on governance is available on Fondia's website <https://investors.fondia.com/fi/en/governance/remuneration>.

II. Governance

General Meeting

The General Meeting is the highest decision-making body of Fondia, and shareholders can participate in the company's governance mainly through decisions taken at the Annual General Meeting. The General Meeting is usually convened at the invitation of the Board. The company's Annual General Meeting shall be held annually on a date separately determined by the Board by the end of June. A general meeting must also be held if the company's auditor or shareholders whose shares represent at least one tenth of all the shares issued by the company but not held by the company itself request in writing that a general meeting be convened to discuss a particular matter.

The General Meeting decides on the tasks assigned to it by the Finnish Limited Liability Companies Act, such as approving the financial statements, distributing the profit, granting discharge to the members of the Board and the CEO and amending the Articles of Association, if necessary. The General Meeting also elects the members of the Board and the auditors and decides on their remuneration.

An Extraordinary General Meeting shall be held to discuss certain matters when the Board deems it necessary or when the auditor or shareholders holding at least ten (10) per cent of all the shares in the company request it in writing.

Invitation to the General Meeting

Fondia publishes the notice of the Annual General Meeting as a company release and on the company's website. According to the Articles of Association, the notice of the General Meeting of Shareholders shall be sent no earlier than three (3) months and no later than three (3) weeks before the General Meeting of Shareholders, but always at least nine (9) days before the record date of the General Meeting of Shareholders. Shareholders wishing to attend the General Meeting must give prior notice in the manner specified in the notice of the meeting and no later than the date specified in the notice, which may not be earlier than ten (10) days before the date of the meeting.

Shareholder rights

Each shareholder of Fondia is entitled to participate in the General Meetings in accordance with the instructions given in the notice of the General Meeting. Shareholders may attend the General Meeting in person or by proxy. Each share of Fondia entitles the holder to one (1) vote.

To be entitled to participate and vote at the General Meeting, a shareholder must be registered in the shareholders' register maintained by Euroclear Finland Ltd no later than eight (8) business days before the General Meeting (record date of the General Meeting). A shareholder registered in the register of directors who wishes to attend the General Meeting shall apply for temporary registration in the shareholders' register. The notice of provisional registration must be submitted no later than the date specified in the notice of the general meeting, which, according to the law, is the day after the record date of the general meeting. Such notice of provisional registration shall be deemed to be a notice of attendance at the general meeting for the holder of a share registered in the administrative register.

A shareholder has the right to have a matter before the General Meeting considered by the General Meeting. The request must be submitted in writing to the Board in sufficient time to be included in the notice of the meeting. The company shall announce on its website, no later than the end of the financial year preceding the Annual General Meeting, the date by which the shareholder must notify the Board of Fondia of the matter the shareholder wishes to be submitted to the Annual General Meeting.

The quorum for a general meeting does not require a certain number of shares to be represented at the meeting, with certain exceptions defined in the Companies Act.

Annual General Meeting 2025

The company's Annual General Meeting was held at the premises in Helsinki on 20 March 2025. Shareholders and their representatives participated in the event either in person or exercised their rights through advance voting.

Board of Directors

The Board is responsible for the administration and proper organization of Fondia's operations. The Board has the general power to decide on all matters relating to the administration of the company and other matters which, according to the law or the Articles of Association, are not the responsibility of the General Meeting of Shareholders or the CEO. The Board shall meet as often as necessary to discharge its duties. A quorum shall exist when more than half of the members of the Board are present.

The Board is elected by the General Meeting. According to the Articles of Association, the company's Board may comprise a minimum of three (3) and a maximum of eight (8) ordinary members. The term of office of the members and deputy members of the Board shall expire at the close of the first Annual General Meeting following the election. The Board shall elect a Chair from among its members.

During the financial year 2025, the company's Board had three to six members.

As at 31 December 2025, there were three Board members:

Chair of the Board

Johan Hammarén

Bachelor of Law, Bachelor of Economics (in Finnish OTK, KTK)

b. 1969, male, Finnish national

Member of the Board since 2006

Chair of the Board since 19 May 2025

Vice Chair of the Board 22 January 2025–19 May 2025

Oy Hammarén & Co Ab, CEO since 2019

Member of the Board

Sami Honkonen

Bachelor of Science (B.Sc.), eMBA

b. 1983, male, Finnish national

Member of the Board since 2024

Technology entrepreneur, investor

Member of the Board

Katariina Lindholm

Licentiate in Psychology (in Finnish PsL)

b 1979, female, Finnish national

Member of the Board since 2021

UPM-Kymmene Corporation, HR Director, Adhesive Materials Global Markets & Graphics since 2026

Retta Group, HR Director 2023–2026

During 2025, the Board also included:

Charlotte Darth

Bachelor of Science in Business Administration & Economics

b. 1968, female, Swedish national

Member of the Board 23 March 2023–20 March 2025

Future Ordering AB, Co-CEO since 2023

Timo Lappi

Bachelor of Law, Bachelor of Economics (in Finnish OTK, KTK)

b 1972, male, Finnish national

Member of the Board 18 March 2021–19 May 2025

Chair of the Board since 20 March 2024–19 May 2025

CEO since 19 May 2025

Interim CEO 22 January 2025–19.5.2025

Juha Sarsama

Bachelor of Laws, master's programme in Supply Management (in Finnish OTK, MSM)

b. 1965, male, Finnish national

Member of the Board 20 January 2017–20 March 2025

Chair of the Board 20 January 2017–20 March 2024

Oy Everon Ab, Executive Vice President since 1 December 2024

Detailed information on the members of the Board is available on the company's website

<https://investors.fondia.com/fi/en/governance/board-of-directors>.

Independence of Board members

The Board assesses the independence of its members regularly and in accordance with the Corporate Governance Code in relation to the company and its significant shareholders and determines which of them are to be considered independent. Board members must provide the Board with sufficient information to assess their competence and independence and notify of any changes in such information. Board members do not represent parties who proposed them as members or other parties belonging to their interest groups.

During the financial year 2025, all Board members were independent of the company, except for Timo Lappi during the period when he served both as Chair of the Board and as the company's interim CEO (22 January 2025–18 May 2025). Timo Lappi resigned from Board membership from 19 May 2025 onwards.

Johan Hammarén and Timo Lappi are affiliated with significant shareholders. Other persons who served in Board positions during the financial year were independent of significant shareholders.

Shareholdings of Board members

The following table shows the shares in Fondia held by the members of the Board and their controlling entities on 31 December 2025:

Member of the Board of Directors	Number of shares	Percentage of shares and votes, %
Johan Hammarén	-	-
Oy Johan Hammarén & Co Ab	-	-
Oy Hammarén & Co Ab	18,514	0.47
Oy Johan Hammarén& Co Ab / Johan Hammarén	656,250	16.60
Sami Honkonen	79	0.00
SH Ventures Oy	4,750	0.12
Katariina Lindholm	1,200	0.03
Yhteensä	680,793	17.22

Board diversity

Board diversity principles

The Board of Fondia Plc has defined the principles concerning Board diversity, taking into account the scope of the company's business and the needs of its development phase. Board diversity supports the company's business and its development and promotes the ability to be open to innovative ideas. Diversity of the Board supports the company's business operations and development. Diversity of the know-how, experience, and opinions of the directors promotes the ability to have an open-minded approach to innovative ideas and also the ability to support and challenge the company's operative management. Adequate diversity promotes open discussion and independent decision-making. Diversity also promotes good corporate governance, efficient supervision of the company's directors and executives, as well as succession planning.

Fondia assesses Board diversity based on the following factors:

- **Gender:** The Board must have women and men equally represented. In a Board of three members, the minimum number of Board members of the less represented gender is one.
- **Independence:** The majority of Board members must be independent of the company. At least two Board members who are independent of the company must also be independent of the company's significant shareholders.
- **Competence and professional background:** Board members must have sufficient and diverse competence as well as complementary experience and industry knowledge. Fondia aims to ensure that the Board has representation in legal expertise and financial and strategic competence, understanding of digital services and technology and listed company governance competence.
- **Experience:** The aim is to combine experience in managing growth companies, international business, professional services and financial reporting.
- **Age:** The age distribution on the Board brings both experience and new perspectives.

An Audit Committee has not been established, but the entire Board performs its duties and the Board composition is formed to ensure sufficient financial expertise.

The decision on the election of Board members is made at the General Meeting. Fondia has not established a separate shareholders' nomination committee or a Board nomination committee, but proposals to the General Meeting concerning the Board composition and Board remuneration are prepared by the largest shareholders without a separate body. In preparing the proposals, the largest shareholders take into account the requirements of the law, the Corporate Governance Code and these diversity principles. The rights of other shareholders to make proposals concerning the Board are not restricted.

Board diversity in 2025

In 2025, the proposal concerning the Board composition and Board remuneration was prepared by a group consisting of Fondia's largest shareholders, led by Oy Johan Hammarén & Co Ab and Sijoittamo Oy. The shareholders who participated in preparing the Board composition in 2025 represented a total of over 33 per cent of the company's shares and votes. In addition to the candidates' qualifications, the proposals took into account the principles for ensuring Board diversity.

In the company's assessment, the principles concerning the Board composition were fulfilled in the Board elected in 2025. The diversity principles were clarified in January 2026, but this has no impact on the government's assessment of the implementation of the principles. At present, Fondia's Board comprises three (3) members. All Board members hold one or more higher education degrees. The Board members have diverse competence and professional backgrounds that are relevant to the company's business and strategy. All Board members have experience in various management positions. The age distribution of the Board members is 42–56 years. The proportion of women is 33 per cent (1/3) and men 67 per cent (2/3).

Key tasks of the Board of Directors

The Board is responsible for the administration and proper organisation of the company's activities and for ensuring that the company's accounting and financial control is properly organised. The Board of Directors deals with matters of wide-ranging and fundamental importance for the operation of the company and its subsidiaries. The Board and the CEO must manage the company professionally and in accordance with sound and prudent business principles. The Board's duty is to promote the interests of the company and all its shareholders.

The Board of Fondia has adopted written rules of procedure on the Board's duties, the matters to be discussed, the meeting procedure and the decision-making process.

To carry out its tasks, the Board shall, among other things:

- adopt a business strategy;
- set the operational values of the company and its subsidiaries;
- approve the business plan and budget annually and monitors their implementation;
- decide on the company's main organizational structure and management system;
- approve the main policies of the company;
- consider and approve the annual and half-yearly financial statements and quarterly business reviews;
- determine the company's dividend policy and proposes to the General Meeting the amount of the dividend to be paid;
- appoint the company's CEO and decide on his/her remuneration and the conditions of his/her employment;
- approve the appointment and remuneration of the members of the company's Management Team;
- decide on the principles of remuneration and incentive schemes for staff;
- decide on individual investments of strategic or financial importance and on acquisitions, disposals or reorganisations;
- decide on donations other than minor donations;
- establish annually the principles of internal control, internal audit and risk management of the company and address the most significant risks and uncertainties related to the company's activities;
- evaluate annually its activities and the performance of the CEO - the evaluation of the Board of Directors may be carried out either by the Board of Directors itself or by an external party;
- consider and approve the company's Corporate Governance Statement;
- consider and approve the company's Remuneration Policy and annual Remuneration Statements;
- define the principles for monitoring and assessing related party transactions and handle the company's significant related party transactions;
- review and approve the company's Sustainability Review; and
- is responsible for any other duties assigned to the board of directors by the Companies Act or elsewhere.

The Board has not yet decided to establish a separate audit committee due to the company's size and scope of the business. The duties of the Audit Committee under the Corporate and Governance Code are the responsibility of the entire Board of Fondia:

- monitoring the financial reporting process of the company;
- monitoring the internal control, internal audit and risk management systems of the company;
- monitoring the statutory audit of the financial statements and consolidated financial statements; and
- assessing the independence of the auditor or audit firm.

The Board may, if necessary, establish committees (for example, an audit committee and a remuneration committee) to prepare the tasks for which it is responsible, if the scope of the company's activities or the effective performance of the Board's duties so require. The committees do not have independent decision-making powers, but the Board takes decisions on the basis of the preparation of the committees. The need for the creation of committees is assessed annually in the context of the Board's self-assessment.

Work of the Board of Directors

The Board decides on the matters falling within its remit at a Board meeting. A quorum is constituted when more than half of the members of the Board are present. The decision of the Board shall be the opinion of more than half of those present or, in the event of a tie, the opinion of the Chair of the Board.

If a Board member is unable to attend a meeting, he or she must immediately inform the Chair of the Board, the CEO or the Secretary of the Board of his or her absence. The members of the Board shall attend the meeting. The CEO and the CFO shall be entitled to attend and speak at Board meetings, unless the Board decides otherwise in a specific case. The Secretary of the Board and, where appropriate, other persons whose presence is necessary for the business to be transacted shall also attend the Board' meeting.

A member of the Board or the CEO may not take part in the discussion of a contract between him/her and the company. Nor may he or she take part in a matter relating to a contract between the company and a third party if he or she has a material interest in the matter which may conflict with the interests of the company. A Board member is also precluded from participating in the decision-making process in relation to a related party which is not in the ordinary course of the company's business, or which is not carried out on normal commercial terms. What is stated above in relation to the contract shall apply by analogy to legal proceedings or any other exercise of speaking rights. A Board member and CEO must themselves inform the Board of their inability to act.

Board meetings

The Board's meeting schedule is set each calendar year as part of the Board's action plan. The Board shall meet on a day determined by the Board, on average once a month, unless the Board decides otherwise. The Board may also meet at other times if the Board so decides or if a member of the Board or the CEO so requests. Notice of the Board meeting and key meeting materials shall be provided to Board members, if possible, no later than five (5) days prior to the meeting.

In 2025, the Board held 22 meetings, nine of which were held without meeting by email. Board members actively participated in the meetings, with an average of 99% attendance rate at Board meetings. Nine Board meetings were held before and 13 meetings were held after the 2025 AGM.

In 2025, the Board members were present at the meetings as follows:

- Timo Lappi 14/14 (participation rate 100%), until 19 May 2025
- Charlotte Darth 9/9 (participation rate 100%), until 20 March 2025
- Johan Hammarén 21/22 (participation rate 95%)
- Sami Honkonen 22/22 (participation rate 100%)
- Katariina Lindholm 22/22 (participation rate 100%)
- Juha Sarsama 9/9 (participation rate 100%), until 20 March 2025

In 2025, Fondia's Board of Directors focused on renewing the company's strategy. The cost-saving programme and strategy launched in 2024 were completed in the first half of the year. The strategy process, which was completed in May, resulted in the definition of key initiatives for the coming years to implement the updated strategy and ensure profitable growth. At the same time, the Board of Directors also updated the company's medium-term financial targets and appointed Timo Lappi as the Group's CEO. In the second half of the year, the implementation and monitoring of new key initiatives was launched. In addition to the appointment of the CEO, other organisational and management changes were made in the company with the aim of strengthening leadership, developing operating methods and promoting Fondia's successful renewal.

In line with the company's operating model, in addition to the CEO, other members of the Group Management Team and experts from different field of law of the company attended Board meetings as required in 2025. The Board's work also regularly focused on staff remuneration systems and their development, as well as employee well-being.

The Board does not have separate committees, but it sets up separate working groups to prepare key issues as necessary and to deal with specific issues in meetings outside the normal meeting schedule.

Evaluation of the Board's performance

The Board assesses its activities and working methods as a self-assessment or through an external party once a year. At the same time, an assessment is made of what expectations the company's shareholders and significant stakeholders have regarding the Board's activities. The Board also regularly reviews the current validity of its rules of procedure and other operating policies.

The objective of the Board performance evaluation is to determine how the Board's work has been realised during the year. The evaluation also serves as a basis when reviewing the content and practices of the Board's work, its composition, and the selection of possible new members. In 2025, the self-assessment was carried out based on internal discussions between the Board and executive management due to the small number of Board members. The Board continues to evaluate its own activities based on evaluations conducted in previous years and strives for continuous improvement. The Board's activities are regularly developed based on the results of the self-assessment, and the party preparing the proposal concerning the Board composition receives confidential access to the evaluation results insofar as they affect the planning of the Board composition.

CEO and Group Management Team

The CEO is responsible for the day-to-day management of the company in accordance with the Companies Act and the instructions, regulations and authorizations issued by the Board, and ensures that the company's accounts comply with the law and that the company's financial management is organized in a reliable manner. The Board appoints the CEO and decides on the CEO's remuneration and other terms of the CEO's contract. The CEO is elected for an indefinite period.

The CEO is responsible for the overall operational management of the Group and assisted by the Group Management Team, each of whose members has their own areas of responsibility. No deputy has been appointed for the CEO.

During the 2025 financial year, the company's CEOs were Timo Lappi (interim CEO from 22 January 2025, CEO from 19 May 2025) and Harri Savolainen (until 22 January 2025).

Group Chief Executive Officer (Group CEO), Interim Managing Director of Fondia Sweden since 18 November 2025.

Timo Lappi

Bachelor of Law, Bachelor of Economics (in Finnish OTK, KTK)

b 1972, male, Finnish national

CEO since 19 May 2025

Interim CEO 22 January 2025–19 May 2025

Chair of the Board since 20 March 2024–19 May 2025

Member of the Board 18 March 2021–19 May 2025

Member of the Group Management Team since 2025

Other members of the Group Management Team on 31 December 2025:

Chief Financial Officer (CFO)

Harri Savolainen

MBA

b. 1969, male, Finnish national

CEO of the company since 1 May 2022–22 January 2025, CFO since 22 January 2025

Chief Financial Officer of the company since 2019, was responsible for financial management in his role as CEO

Interim CEO of the company 1 December 2021–30 April 2022

Member of the Group Management Team since 2019

Managing Director, Baltics

Eneli Perolainen

Master's degree, Science of Law

b. 1976, female, Estonian national

Managing Director of Fondia Eesti Oü since 2020

Member of the Group Management Team since 2020

During 2025, the Group Management Team also included:

Managing Director, Sweden

Emma Ridderstad

Affärsekonom

b. 1980, female, Swedish national

Managing Director, Fondia Legal Services AB 12 August 2024–18 November 2025

Member of the Group Management Team 12 August 2024–18 November 2025

Chief Operating Officer (COO)

Wilma Laukkanen

Master of Social Sciences, Bachelor of Economics

b. 1977, female, Finnish national

Chief Operating Officer (COO) 1 September 2023–22 January 2025

Chief People Officer (CPO) 1 April 2022–31 August 2023

Talent Director 2017–2022

Member of the Group Management Team 2017– 22 January 2025

Legal Business Director, Finland

Minna Laurila

Bachelor of Laws (LL.M.)

b. 1966, female, Finnish national

Legal Business Director, Finland, 2002–22 January 2025

Member of the Group Management Team 2022–22 January 2025

The Group's Executive Leadership Team as of 1 January 2026

The Group's *Executive Leadership Team* (formerly Group Management Team) was reorganised on 1 January 2026. As of 1 January 2026, the Executive Leadership Team consists of:

Timo Lappi, CEO, and interim CEO of Fondia Sweden (details above)

Harri Savolainen, CFO (details above)

Eneli Perolainen, Managing Director, Fondia Baltics (details above)

and as new members:

Managing Director, Fondia Sweden

Victoria Swedjemark

Master of Business Law, LL.M., Law, BBA

b. 1974, female, Swedish national

Starting in her position on 2 March 2026 at the latest

Chief Commercial Officer (CCO)

Aleksi Lundén

LL.M.

b. 1986, male, Finnish national

Member of the Executive Leadership Team as of 1 January 2026

Chief People & Culture Officer (CPO)

Tea Lyytikäinen

MSc

b. 1984, female, Finnish national

Member of the Executive Leadership Team as of 1 January 2026

Shareholdings of the members of the Group Management Team

The following table shows the shares in Fondia held by the members of the Group Management Team and their controlling entities as of 31 December 2025:

Member of the Group Management Team	Number of shares	Percentage of shares and votes, %
Timo Lappi	–	–
Sijoittamo Oy	656,250	16.60
Harri Savolainen	9,770	0.25
Eneli Perolainen	3,236	0.08
Green Spot Invest Oü	0.00	0.00
Total	669,256	16.93

III. Internal control procedures and main principles of risk management

Main principles of risk management

Risk management supports Group in achieving its strategic and business objectives and ensures the continuity of its operations in changing circumstances. The ability to bear risks and manage them effectively is central to the success of the business and the creation of shareholder value.

Risk management objectives are achieved by ensuring that the Group is aware of the uncertainties, risks and opportunities that affect its objectives and activities, and has consistent and effective processes to identify, assess and manage risks and their consequences.

Risk refers to an event or circumstance that may make it difficult or impossible for Fondia to achieve its objectives or that may result in business opportunities not being realised. Risks are classified into strategic, operational and financial risks. Non-financial impacts are also taken into account when assessing risks. The Fondia Group's reputation is an important competitive advantage, and damage to that reputation or negative market perceptions could have a very negative impact on the Group's business, operating results and financial position.

Fondia reports regularly on risks and uncertainties in its financial reviews and in the Board of Directors' report.

Fondia has a risk management policy approved by the Board. The purpose of the company's risk management is to ensure comprehensive and appropriate risk identification, assessment, management and control throughout the Fondia Group. It is an integral part of Fondia's planning and management process, decision-making, day-to-day management and operations, and control and reporting procedures.

Risk management and risk control measures are integrated as an integral part of the company's management and business processes. The aim is to aggregate risks across the organisation. The Group Management Team regularly monitors the implementation of risk management and, under the leadership of the Group Risk & Compliance Officer appointed by the Board, regularly reports to the Board on risks and the progress of risk management measures. The adequacy and effectiveness of these measures are assessed as part of the business monitoring process. If necessary, corrective measures are taken. The Group Risk & Compliance Officer also attends the Board meeting at least twice a year.

Each year, the Board reviews the material risks affecting the Fondia Group's activities and their potential impact and decides on policies for dealing with these risks. The Board also monitors and discusses risk management at other regular intervals through the risk analysis submitted to it.

Internal control and audit

Fondia's Board has defined the company's internal control principles, which include matters to be taken into account in the company's business operations. The Board assesses the status of internal control at least once a year and decides on the internal control and audit policy for the next financial year at the turn of the year.

Internal control is a process carried out by the Board and management and other personnel to provide reasonable assurance that the company's operations are achieving the objectives set for them. Internal control is an integral part of all of Fondia's activities and internal control includes all of the company's policies, processes and practices that assist management and ultimately the Board in ensuring that the company's objectives are met, that Fondia's business is conducted ethically and in compliance with all applicable laws and regulations and internal policies, and that financial reporting is properly managed.

The company is continuously developing its various internal control processes. The members of the Management Team and the Group Operations and Development Officer are responsible for the processes in their respective areas of activity. The Group Finance Department also plays a key role in the development and implementation of internal control processes. The Group Risk & Compliance Officer leads and coordinates the company's compliance programme and plays an active role in the implementation of these measures. Several other company lawyers work in the compliance function at Fondia in addition to their own activities. The Group Risk & Compliance Officer reports regularly to the Board on development measures, as well as on any deviations and identified development needs. In addition to regular reporting, the Board discusses the company's core processes separately as separate issues, where appropriate. During 2025, compliance work focused on strengthening and developing the KYC process of knowing the customers and revising Fondia's policy structure for possible needs for development. Where necessary, the company will either conduct its own internal audit reviews or commission separate internal audit reviews by external experts. The company does not have its own separate internal audit function.

Financial reporting process

Internal control over the financial reporting process aims to ensure that Group's operations are efficient, that decision-making is based on reliable information and adequate identification of business risks, and that the financial reports published by the company provide materially accurate information about the company's finances.

The Group's financial reporting is managed centrally by the financial administration. Fondia's consolidated budget is approved annually by the Board. The Group's financial performance is monitored by the Group Management Team and the Board on a monthly basis. Monthly reporting and the related analyses and comparisons are a key element of the management and control carried out through financial reporting.

The Board as a whole carries out the duties of the Audit Committee and meets at least twice a year with the company's auditor, one of which is held without the presence of the executive management.

IV. Other governance information

Auditor

The company's auditor is Grant Thornton Oy. The principal auditor for the financial year 2025 was Peter Åhman, Authorized Public Accountant (KHT). The term of office of the auditor expires at the end of the Annual General Meeting following the election.

The following fees have been paid to the auditor for the financial year 2025:

Auditor's fees	Fondia Group (EUR)	Fondia Plc (EUR)
Audit	31,350.00	21,940.00
Tax advice	0.00	0.00
Other services	0.00	4,620.00
Total	31,350.00	26,560.00

Related party management

Fondia has a related party policy approved by the Board, which sets out the principles and processes for how the company identifies its related parties and transactions with related parties, assesses the nature and terms of transactions, reports on related party transactions, monitors related party transactions and how decision-making on related party transactions is organised.

The definition of a related party of the Fondia is in accordance with IAS 24 Accounting Standard. A related party consists of natural persons and other companies and entities which, because of their position or prevailing circumstances, have a different degree of closeness to the company.

The company has established a separate register of related parties and the basis of the related party relationship, which is maintained on an external service provider's platform, as well as related party transactions between the Company and related parties (the "Related Party Register"). The Related Party Register will be updated if there are any changes in the company's related parties. The Board of the company may also decide to expand the definition of Related Parties from the above if it deems it necessary.

The operational management of related parties and the maintenance of the register of related parties is the responsibility of the company's related party management, which is the responsibility of the Chief Financial Officer and includes persons specifically designated by him. Access to the register of related parties shall be granted to the persons specifically appointed to the related party management. The company's financial administration shall maintain a list of legal transactions between the company and its related parties, unless they are of manifestly minor importance. The register of related parties is established in such a way that historical information is available for use when required.

The main rule is that all legal transactions between the company and its related parties must be carried out on normal terms. Before entering into a legal transaction, the company's management shall submit to the board of directors for its approval all legal transactions between the company and its related parties that are not in the ordinary course of the company's business and all legal transactions between the company and its related parties that deviate from the company's normal commercial terms. In addition, the Executive Management submits to the Board for its consideration and approval the policies for intra-group sales of services, financing arrangements and other legal transactions at the beginning of each calendar year and for separate actions as necessary. The Management shall also bring to the attention of the Board of Directors legal transactions between the company and its related parties which are in the ordinary course of business and/or on normal terms, unless they are of manifestly minor importance to the company and the related party.

The number of related party transactions of Fondia is limited and related party transactions are generally easy to detect and identify. The most common related party transactions relate to the mutual sale of services between group companies and loan arrangements, which are carried out on market terms.

Insider management

In addition to the regulations applicable to First North Growth Market companies, Fondia complies with the Nasdaq Helsinki Ltd Insider Trading Guidelines and its own Insider Trading Guidelines approved by the Board.

Fondia Plc's persons discharging managerial responsibilities and persons closely associated with them must notify to the company and to the Financial Supervisory Authority any transactions they carry out in Fondia's financial instruments. The company has drawn up a list of all persons discharging managerial responsibilities and persons closely associated with them. The company maintains project-specific insider lists in accordance with the insider regulations in force and also maintains a list of persons acting in the company's informative core, who have access to the company's core information due to their tasks.

Insider management lists are hosted in the cloud by an external service provider.

The persons discharging managerial responsibilities at Fondia ("Managers") are in accordance with the Board's decision:

- members of the Board of Directors;
- Chief Executive Officer (CEO); and
- Chief Financial Officer (CFO).

Fondia's persons discharging managerial responsibilities and persons specifically identified as having access to core information of the Fondia Group may not trade in Fondia's financial instruments, directly or indirectly, for their own account or for the account of third parties, during the period beginning 30 days before the publication of each financial statement release, half-yearly report or business review and ending on the day following the publication of such information. The company will separately inform persons subject to trading restrictions if, exceptionally, the financial statements do not contain all material information on the financial position of the company and the closed window will therefore be extended to 30 days before the publication of the financial statements.

Fondia's insider management is responsible for the following tasks:

- internal communications regarding insider matters;
- training regarding insider matters, the trading restriction and the disclosure obligation;
- drafting and maintenance of insider lists and their submission to the Finnish Financial Supervisory Authority (upon request);
- obtaining consents from persons added to insider lists;
- monitoring insider matters;
- internal communications on matters regarding trading restriction and the disclosure obligation;
- maintaining a list of Managers and persons closely associated with them who are subject to disclosure obligation;
- submitting the notifications to Managers in accordance with insider guidelines;
- if necessary, instructing the Managers in making notifications to persons closely associated with them;
- obligation to disclose the transactions of made by the Managers and persons closely associated with them;
- monitoring compliance with the trading restrictions and disclosure obligation; and
- careful monitoring of regulatory changes in insider matters, the trading restriction and the disclosure obligation.

Communication

In its disclosure, Fondia complies with the EU Market Abuse Regulation (MAR), the Securities Markets Act, the disclosure requirements for companies listed on the First North Growth Market Finland, which are regulated by the First North Growth Market Rulebook and the rules of Nasdaq Helsinki Ltd, the company's internal governance and operating guidelines and the disclosure policy approved by the Board. The company's disclosure policy defines the objectives and principles of Fondia's communications.

The objective of the company's communications is to ensure that all market participants have prompt and simultaneous access to adequate, reliable, relevant and consistent information about the company and its operations, strategy, objectives, financial performance and all other matters affecting the value of a financial instrument issued by the company.

The company is committed to the following guiding principles in its communications:

- Fair, consistent, regular and transparent information.
- The information disclosed is accurate, reliable and relevant.
- Material information is published as soon as possible and is easily accessible to investors, market participants and the company's stakeholders.

Operational responsibility for the implementation of the disclosure policy lies with the company's CEO and CFO. The CEO and CFO are assisted in this implementation by an Investor Relations team, which includes personnel from the company's Legal, Finance and Marketing departments. The Board has the ultimate decision-making authority for external communications and approves and confirms the disclosure policy. The CEO or the CFO, the company's certified adviser and the Board, as far as matters within the Board's decision-making authority are concerned, approve all company releases prior to their publication. All company announcements are reviewed and approved by the company's approved adviser prior to publication.

In addition, the persons working in the company's investor communications meet with the approved adviser at least quarterly and the Board at least twice a year.

All press releases are reviewed and approved by the CEO or CFO before they are published.

The company's releases are divided into two categories: company releases and press releases. The category of press releases is selected on the basis of the materiality and importance of the information, in accordance with the applicable provisions. The company also publishes information regarding managers' transactions as company releases and, from April 2024, also significant changes in voting rights (so-called "flaggings").

The official reporting language of the company is Finnish. The company publishes its financial reports, business reviews and other corporate disclosures in both Finnish and English. The official language of other investor communications is Finnish, in addition to which English may be used in investor communications to the extent deemed necessary by the company. Press releases may be published in any relevant language as necessary.

Fondia publishes, in addition to the financial statements release and the half-yearly financial report, business reviews after the first and third quarter. The financial statements release is published without undue delay, but no later than three months after the end of the financial year. The financial statements information shall be published internally and externally only after the financial statements bulletin containing the same information has been published as a company release. The half-yearly and annual reports are published without undue delay after approval by the Board, but no later than two months after the end of the reporting period. The company publishes its annual accounts and annual report at least three weeks before the Annual General Meeting. The Company also publishes in Finnish and English an annual corporate governance statement, an annual remuneration report and the remuneration policy of the governing bodies at least every four years.



Remuneration
Report for Governing
Bodies 2025

REMUNERATION REPORT FOR GOVERNING BODIES 2025

1. Introduction

Fondia Plc's ("Fondia" or the "company") Remuneration Report for Governing Bodies 2025 ("Remuneration Report") has been prepared in accordance with the Finnish Corporate Governance Code ("Corporate Governance Code") effective from 1 January 2025 and in accordance with applicable legislation. The Corporate Governance Code is available on the website at www.cgfinland.fi/en.

In this report, Fondia presents the salaries, fees and other financial benefits paid to the company's governing bodies, i.e., the members of the Board of Directors ("Board") and the Chief Executive Officer ("CEO"), during the financial year 2025 and due to be paid based on the financial year 2025. The report also describes the decision-making process and the main principles governing remuneration in Fondia.

The Remuneration Report is prepared and presented to the Annual General Meeting annually. The last Remuneration Report (2024) was presented to the Annual General Meeting in spring 2025. 100% of the shares represented and votes cast at the Annual General Meeting were in favour of the approval of the 2024 Remuneration Report.

Principles of remuneration 2025

Fondia's Remuneration Report for 2025 is in line with the Remuneration Policy of the company's governing bodies as published on 27 February 2024, which was discussed and approved by an advisory resolution at the Annual General Meeting ("Remuneration Policy") held on 20 March 2024. The Remuneration Policy is available on the company's investor website at <https://investors.fondia.com/fi/en/governance/remuneration>.

In line with its Remuneration Policy, Fondia applies the following principles to its remuneration:

- *competitiveness, fairness, and equity, taking into account the level and demands of the tasks; and*
- *incentivising, which guides the company's governing bodies towards the achievement of strategic business objectives; and*
- *sustainability.*

Through its Remuneration Policy, Fondia aims to support the alignment of the interests of shareholders, the Fondia Group and its personnel. It also aims to support the long-term financial success of the Fondia Group and the commitment of Fondia's personnel to their employer.

The share-based employee incentive schemes introduced in previous years continued during the financial year 2025. The CEO has been able to participate in the schemes in accordance with the conditions set.

The fair and incentive-based remuneration of Fondia's management and personnel is the subject of continuous development and evaluation within the company. The Board and the management regularly assess the needs for improving Fondia's overall remuneration. In the context of these evaluations, external experts may be used to assess, among other things, the levels of requirements of the different positions and their impact on remuneration. The Fondia Board also regularly monitors and reviews the company's Remuneration Policy to ensure that it is in line with the company's strategy and remuneration principles.

During the 2025 financial year, the Remuneration Policy approved by Fondia’s General Meeting of Shareholders on 20 March 2024 by advisory resolution was applied in the remuneration of the Board of Directors and the CEO without any deviations. No decision was taken to defer, not to pay or recover all or part of the remuneration of the Board members or the CEO. The company has mistakenly paid additional board fees totalling EUR 26,075 to CEO Timo Lappi, which have been recorded in the company's financial statements as receivables to be recovered.

Remuneration and business development 2021–2025

Below is a description of the relative evolution of the remuneration paid to the members of the Fondia Board and to the CEO over the last five financial years, compared to the average remuneration of Fondia Group employees and the financial evolution of the Fondia Group over the same period. The development is described in terms of compound annual growth rate (CAGR).

	2021	2022	2023	2024	2025	Change 2021– 2025 (CAGR)
Remuneration of the Board members total EUR	154,000 ¹	162,000	162,000	162,000	111,100 ²	-7,8 %
Remuneration of the CEO EUR³	261,181	227,563	301,023	263,974	207,323 ⁴	-5,6 %
Remuneration of the personnel AVG per person/year EUR⁵	81,170	81,659	79,401	81,053	85,687	+1,3 %
Net sales TEUR	21,107	24,580	26,094	25,628	23,929	+3,2 %
Result/Ebit TEUR	637	2,099	1,827	1,361	1,428	+22,4 %

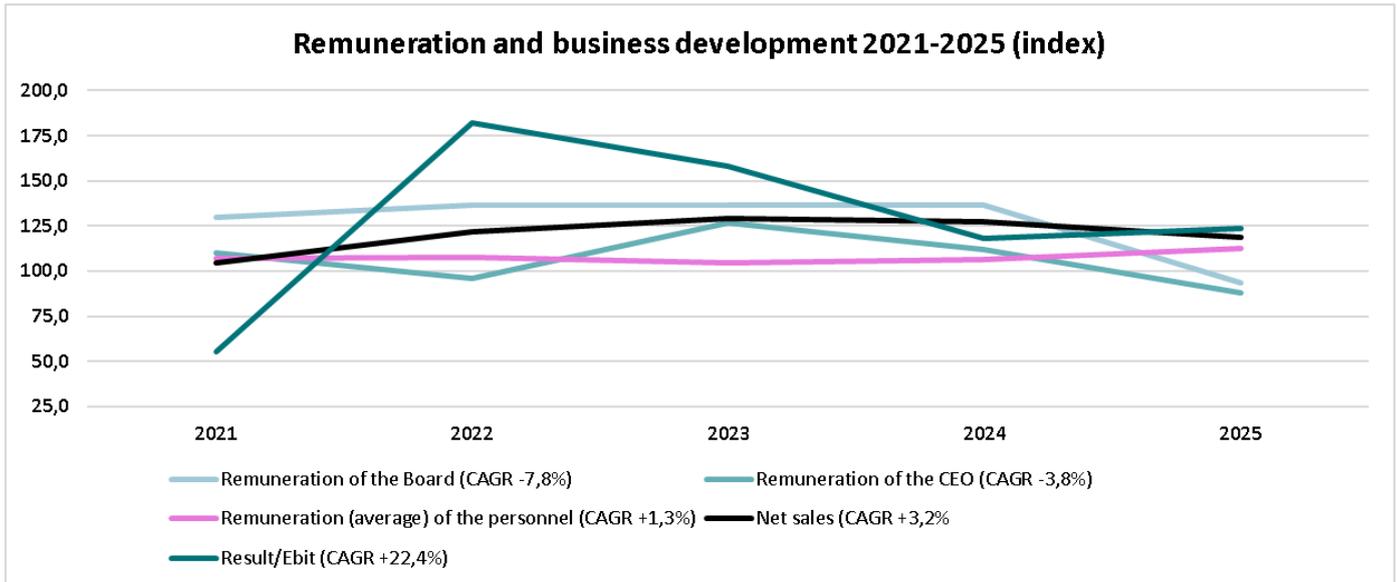
¹ The number of Board members increased from five to six from 2021.

² The number of board members fell from six to three in spring 2025. Does not include board fees incorrectly paid to Timo Lappi and subject to recovery.

³ The CEO's remuneration does not include signing bonuses or severance payments to improve comparability of remuneration trends. The table has been adjusted in this respect in the 2021 report. Previously, the CEO's 2019 remuneration included a signing bonus.

⁴ The CEO's remuneration includes the remuneration of Harri Savolainen (CEO until 22 January 2025) and Timo Lappi (CEO from 19 May 2025, Interim CEO from 22 January 2025–19 May 2025).

⁵ Does not include CEO.



The company's financial development is expressed by presenting the development of the Fondia Group's turnover and operating profit between the financial years 2021–2025. Fondia's medium-term financial targets for 2017–2025 were based on growth in net sales and operating profit margin, which is why the company also describes the Group's financial performance in terms of both factors in its remuneration report. The medium-term financial targets were updated in spring 2025 and will henceforth be based on the organic growth rate of net sales and the adjusted EBITDA margin, but financial performance will continue to be described in the remuneration report using the previous metrics for the time being.

The number of Board members has ranged from three to six over the five-year period under review. The Board has no committees.

During the review period 2021–2025, Fondia has had two full-time CEOs. During 2025, the CEO of Fondia was Timo Lappi. He was appointed to his position as of 19 May 2025, before which he served as interim CEO from 22 January 2025 to 19 May 2025. Previously, Harri Savolainen served as CEO during the review period from 1 December 2021 to 22 January 2025, of which six months as interim CEO, and Leena Hellfors in 2019–2021. The remuneration of the interim CEO is included in the table above, where applicable.

The Fondia Group's employee remuneration development index shows the development of the personnel expenses as reported in the company's financial statements divided by the Group's average FTE (average number of employees converted into full-time equivalents per year).

2. Remuneration of the board of directors for the financial year 2025

The Annual General Meeting of Fondia decided on 20 March 2025 that the Chair of the Board will be paid EUR 3,500 per month and the other members of the Board EUR 2,000 per month. Travel expenses will be reimbursed in accordance with the maximum amount of the current travel allowance base set by the Tax Administration. The Board of Directors' fees were not increased compared to the previous year.

The members of the Board have not been granted any options, share-based payments, or other share-based payments for their work on the Board.

The members of the Board have not been paid meeting fees nor any other financial benefits apart from the monthly remuneration decided by the General Meeting, except for a one-off special fee of EUR 5,000 plus VAT paid to Sami Honkonen as a sole trader for IT consulting services.

Travel expenses for Board meetings are reimbursed in accordance with the company's travel policy. The remuneration of the Board is not subject to pension contributions.

Remuneration paid to members of the Board for board work during the financial period 1 January–31 December 2025

Member of the Board	Annual fees (EUR)	Other financial benefits	Annual fees total (EUR)
Johan Hammarén chair of the board since 19.5.2025, vice chair 22 January 2025–19 May 2025	35,175	-	35,175
Timo Lappi chair of the Board until 19 May 2025	15,925	-	15,925 ⁶
Charlotte Darth member until 20 March 2025	6,000	-	6,000
Sami Honkonen member	24,000	-	24,000
Katariina Lindholm member	24,000	-	24,000
Juha Sarsama member until 20 March 2025	6,000	-	6,000
YHTEENSÄ	111,100	-	111,100

⁶ Does not include incorrectly paid and recoverable board fees.

3. Remuneration of the CEO for the financial year 2025

Remunerations paid in the financial year 2025

Timo Lappi

The company's current CEO is Timo Lappi, who was appointed to the position with effect from 19 May 2025. Prior to this, he served as the company's interim CEO from 22 January 2025 to 19 May 2025.

The Board has approved the key terms of the CEO's employment, including remuneration, in accordance with the remuneration policy confirmed by the general meeting.

Under the current CEO service agreement, the CEO's cash salary is EUR 18,000 per month (gross, from 19 May 2025 onwards). The CEO has access to the company's customary and applicable fringe benefits, such as meal benefits, sports and culture benefits, and occupational healthcare. In addition, the CEO has a short-term performance bonus programme based on the financial year and the opportunity to participate in the company's share-based incentive programmes.

During the interim CEO period from 22 January 2025 to 18 May 2025, the CEO's cash salary was EUR 10,000 per month (gross). As interim CEO, he was not entitled to the company's fringe benefits or to long-term or short-term performance-based or share-based incentive programmes.

The CEO commenced employment with the company in January 2025, and therefore no performance bonuses based on the previous financial year were paid to him during the financial year. The proportion of fixed annual salary (cash salary and fringe benefits) paid to the CEO in 2025 in relation to total remuneration was thus 100 per cent, and the proportion of short-term incentive bonuses paid was zero per cent. No sign-on bonus was paid to the CEO either.

In January–May 2025, the CEO was paid the fees decided by the general meeting for the role of Chair of the Board, totalling EUR 15,925 (gross).

The CEO does not have supplementary pension arrangements. Expense reimbursements were paid to the CEO in accordance with the company's travel policy and other practices.

Remuneration and benefits paid to CEO Timo Lappi for the CEO role during the financial year 2025

Fixed basic salary EUR per year	Fringe benefits		Variable pay components	Share bonus ⁷	
	Telephone benefit EUR year	Lunch benefit EUR year	Performance bonus EUR Year ⁸	Matching shares in cash EUR/year	Matching shares in shares EUR/year
176,010	140	1,279	0	0	0

⁷ CEO Lappi has not participated in the share bonus ESSP program. Possible rewards under the share-based incentive scheme will be paid in 2028.

⁸ CEO Lappi started as Interim CEO on 22 January 2025 and CEO from 19 May 2025 onwards, hence no performance bonus for the year 2024 has been paid.

Harri Savolainen

Harri Savolainen, the company's CFO, served as CEO from 1 January to 22 January 2025. For the CEO role, Savolainen was paid a total cash salary of EUR 20,000 (gross) in 2025. In addition, as CEO he had access to the company's customary fringe benefits and personnel benefits. As CEO, Savolainen had no special agreements regarding retirement age or other pension arrangements. No compensation related to the termination of the CEO agreement was paid.

During the financial year 2025, in accordance with a decision by the Board, Savolainen was not paid a performance bonus under the 2024 performance bonus scheme. The performance bonus paid to Savolainen thus amounted to zero (0) per cent of the maximum performance bonus. The bonus under the 2024 performance bonus scheme could have been a maximum amount equivalent to four months' cash salary (EUR 80,000). Part of the targets for the performance bonus paid to Savolainen based on the financial year 2024 were linked to the Fondia Group's net sales and profit in 2024 (fifty (50) per cent of the total targets) and part to personal targets determined by the Board, which related to the achievement of certain commercial objectives and strategic projects (fifty (50) per cent of the total targets).

The proportion of fixed annual salary (cash salary and fringe benefits) paid to Savolainen in 2025 in relation to total remuneration was hundred (100) per cent, and the proportion of short-term incentive bonuses paid was zero (0) per cent.

Expense reimbursements were paid to Savolainen in accordance with the company's travel policy and other practices.

In spring 2025, Savolainen was also paid a share reward under the employee share savings plan (ESSP) savings period 2022–2023, part of which was paid in shares and part in cash to cover taxes. Savolainen's gross number of additional shares based on these savings was 422.5 shares, of which 208 shares were transferred to Savolainen, and the tax portion was EUR 1,104, corresponding to 211 shares.

Remuneration and benefits paid to Harri Savolainen for the CEO role during the financial year 2025

Fixed basic salary EUR per year	Fringe benefits		Variable pay components	Share bonus ⁹	
	Telephone benefit EUR year	Lunch benefit EUR year	Performance bonus EUR Year ¹⁰	Matching shares in cash EUR/year	Matching shares in shares EUR/year
20,000	20	184	0	1,104	1,086

⁹ Harri Savolainen was paid matching shares under the share savings plan (ESSP) 2022–2023 on 13 March 2025, exercise price EUR 5.22/share. The company did not, however, pay rewards from the first earning period 2022–2024 of the company's share-based incentive scheme (PSP) because the set targets were not achieved.

¹⁰ The performance bonus for 2025 was based on the achievement of targets related to the CEO role in 2024.

Remuneration payable in 2026 based on the 2025 financial year

CEO Timo Lappi had a short-term performance bonus scheme for the 2025 financial year, as decided by the Board of Directors. In accordance with the decision made by the Board of Directors, the CEO will not be paid a performance bonus for the 2025 financial year. The performance bonus payable to the CEO is therefore zero (0) per cent of the maximum performance bonus.

The targets of the CEO's performance bonus scheme for the 2025 financial year were linked to the achievement of the company's medium-term targets on an annual basis, as separately determined by the Board of Directors. The annual performance bonus under the performance bonus scheme could have been a maximum of the CEO's four months' fixed salary (EUR 72,000), but no more than five (5) per cent of the adjusted operating profit (EBIT) after bonuses.

Other benefits and remunerations

Share-based remuneration

The CEO participates in the fourth performance period (2025–2027) of the company's **long-term share-based commitment and incentive plan ("share plan")**. Fondia Plc's share plan gives participants the opportunity to earn company shares if the financial and strategic targets set by the Board are achieved. The purpose of the share plan is to promote the achievement of the company's financial objectives and to provide participants with a competitive long-term incentive plan, thereby increasing the company's shareholder value. The share plan is performance-based and consists of three-year performance periods.

Under the terms of the share plan, personal investment in Fondia Plc shares is no longer required from other Group Management Team members except for the CEO.

For the performance period, rewards will be based on the adjusted average EBITDA percentage and total shareholder return (TSR) for the performance period. Rewards will be paid in full to participants in shares of Fondia Plc. The maximum number of shares that the CEO can earn during the performance period is 20,000 Fondia shares. The bonus shares payable based on the achievement of the targets will be paid in accordance with the terms and conditions of the plan after the end of the performance period, by the end of May 2028.

The CEO does not currently participate in the Fondia Group's **Employee Share Savings Plan (ESSP)** but would be entitled to do so on ordinary terms. Under the plan, an employee saves EUR 50–500 per month for one year to purchase Fondia shares. The company offers one matching share free of charge for every two savings shares, provided that the shares are held for approximately three years and employment continues. The matching shares are granted partly in shares and partly in cash to cover taxes.

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