



Fellow Finance Plc's Financial Statements Release 1.1. – 31.12.2019

2019: Turnover grew 18,7% and intermediated loan volume was over 200 million euros

FELLOW FINANCE PLC COMPANY ANNOUNCEMENT 14 FEBRUARY 2020 AT 8:00 AM

1.1. – 31.12.2019 in brief

- Turnover was 14,2 million euros (12,0), growth 18,7%
- EBIT was 1,6 million euros (3,4)
- EBIT margin was 11,6% (28,1)
- Adjusted EBIT was 2,3 million euros (3,5)
- Adjusted EBIT margin was 16,5% (29,5)
- Profit of the financial year was -69,1 thousand euros (797,9)
- Adjusted profit was 544,1 thousand euros (1.690,0)
- Earnings per share (EPS) was -0,01 euros (0,13)
- Adjusted earnings per share (Adjusted EPS) was 0,08 (0,28)
- Intermediated loan volume was approximately 200,7 million euros (172,0)
- Business financing accounted for 25.6% of total intermediated loan volume and international loan markets (Poland, Germany, Sweden and Denmark) for 7.0%
- Business financing increased by 59.3% and international loan market by 85.5% from 2018

1.7. – 31.12.2019 in brief

- Turnover was 7,0 million euros (6,4), growth 9,1%
- EBIT was 0,3 million euros (1,7)
- EBIT margin was 3,9% (26,4)
- Adjusted EBIT was 1,0 million euros (1,9)
- Adjusted EBIT margin was 14,0% (29,1)
- Earnings per share (EPS) was – 0,07 euro (0,002)
- Adjusted earnings per share (adjusted EPS) was 0,01 euro (0,14)
- The six-month period includes items affecting comparability related to the Company's stock option scheme totaling 0,7 million euros. Expenses are included in personnel costs.
- Intermediated loan volume was approximately 91,7 million euros (95,5)
- During the half-year period new services and market openings were prepared and a subsidiary was established in Estonia.



Key Ratios

EUR 1,000 (unless otherwise informed) CONSOLIDATED KEY FIGURES	(unaudited, unless otherwise informed)			
	07-12/2019	07-12/2018	1-12/2019	1-12/2018
Turnover (EUR 1,000)	6 956.9	6 376.3	14 193.7 ¹⁾	11 958.8 ¹⁾
From which commissions	4 712.7	4 829.0	10 042.1 ¹⁾	8 967.0 ¹⁾
From which interest yields from loans	2 244.3	1 547.4	4 151.6 ¹⁾	2 991.8 ¹⁾
EBITDA	495.8	1 887.3	2 063.1	3 747.5
EBITDA margin %	7.1%	29.6%	14.5%	31.3%
Adjusted EBITDA	1 194.9 ³⁾	2 062.1 ²⁾	2 762.2 ³⁾	3 922.3 ²⁾
Adjusted EBITDA margin	17.2% ³⁾	32.3% ²⁾	19.5% ³⁾	32.8% ²⁾
Operating profit (EBIT)	273.2	1 683.3	1 647.4 ¹⁾	3 357.1 ¹⁾
Operating profit (EBIT) -margin %	3.9%	26.4%	11.6% ¹⁾	28.1% ¹⁾
Adjusted operating profit (Adjusted EBIT) -margin	972.4 ³⁾	1 858.1 ²⁾	2 346.6 ³⁾	3 531.9 ²⁾
Adjusted operating profit (Adjusted EBIT) -margin, %	14.0% ³⁾	29.1% ²⁾	16.5% ³⁾	29.5% ²⁾
Earnings before taxes (EBT)	-514.8	48.0	126.6 ¹⁾	1 053.1 ¹⁾
Earnings before taxes (EBT) -margin, %	-7.4%	0.8%	0.9%	8.8%
Adjusted earnings before taxes (Adjusted EBT)	184.4 ³⁾	1 163.1 ²⁾	893.0 ³⁾	2 168.2 ²⁾
Adjusted earnings before taxes (Adjusted EBT) -margin, %	2.7% ³⁾	18.2% ²⁾	6.3% ³⁾	18.1% ²⁾
Profit for accounting period	-490.3	11.9	-69.1 ¹⁾	797.9 ¹⁾
Adjusted profit for accounting period	69.0 ³⁾	904.0 ²⁾	544.1 ³⁾	1 690.0 ²⁾
Lainaamo's loan receivables rate	28 657.3	21 257.6	28 657.3	21 257.6
Group's outstanding interest-bearing debt	20 370.0	16 930.0	20 370.0	16 930.0
Equity/share (issue-adjusted), EUR	2.0	2.0	2.03	2.0
Return on equity (ROE), %	neg.	0,3%	neg. ¹⁾	8.5% ¹⁾
Equity ratio, %	40.2%	44.8%	40.2% ¹⁾	44.8% ¹⁾
Personnel (average number)	50	31	50 ¹⁾	27 ¹⁾
Earnings per share (EPS), undiluted, EUR	-0.07	0.002	-0.01	0.13
Adjusted earnings per share (Adjusted EPS), undiluted, EUR	0.01 ³⁾	0.14 ²⁾	0.08 ³⁾	0.28 ²⁾
Equity/share, EUR	2.0	2.0	2.0	2.0
Salaries and incentives	1 744.7 ⁴⁾	929.3 ⁴⁾	2 666.3 ⁴⁾	1 525.5 ⁴⁾
End balance of Balance Sheet	36 040.6	32 392.5	36 040.6	32 392.5
Average number of outstanding shares during period (issue-adjusted)	7 164 868	6 401 875	7 146 872	6 112 151
Number of outstanding shares at the end of the period (issue-adjusted)	7 173 625	7 128 625	7 173 625	7 128 625

¹⁾ Audited



²⁾ Adjusted with Company's nonrecurring costs on financial period 2018 related on listing to Nasdaq's First North Finland -marketplace and option incentives related to that. Total of 1,1 million euros was booked as costs on which 0,2 million to Personnel costs and 0,9 million to financial items. Adjusted Profit for accounting period takes on account the computational taxes if the nonrecurring costs were not actualized.

³⁾ Adjusted with Company's nonrecurring costs related on listing to Nasdaq's First North Finland -marketplace and option incentives related to that on financial period 2019. Total of 0,7 million euros was booked to Personnel costs and 67,3 kEUR to financial items. Adjusted Profit for accounting period takes on account the computational taxes if the nonrecurring costs were not actualized.

⁴⁾ Personnel costs without pension and other non-wage expenses. Figure includes activated salaries.

Fellow Finance CEO Jouni Hintikka: A two-parted year 2019

In the first half of 2019 we performed well and the loan volumes and revenue grew as expected. In the second half of the year the consumer finance market was affected by new legislation that came into effect in September cutting both loan fees and interest rates. This caused a market disruption that was stronger than expected, whereby, for example, customer acquisition prices did not begin to decline and adjust to the changed situation as earnings on loans fell. At the same time, intense competition for new consumer customers lowered the average size of loans intermediated by our platform in an effort to optimize customer acquisition cost to a profitable level. Mainly because of this, the second half of the year was weaker growth for us than the beginning of the year.

The total amount of intermediated loans in 2019 was a record breaking more than 200 million euros. The 59.3% increase in business financing and the 85.5% growth in our international markets in intermediated financing from 2018 strengthened our vision of offering our financing platform extensively to both businesses and consumers in Europe. There is demand for our service and we are able to challenge traditional financial market players with our platform lenders.

During the second half of the year, we opened our first office outside Finland in Gdansk, Poland, and expanded our country organization in response to the growth of our Polish business. The number of institutional investors and investments in our platform grew during the year, and the launch of our partnership with Citadele Bank in November was a good example. In addition, we established a subsidiary in Estonia and continued product and service development as well as preparations for our expansion into new markets. Building a strong business base for future growth is on schedule.

Financial targets and guidance for year 2020

The Company has prepared and invested in new markets, which are expected to accelerate growth in 2021-2022. In 2020, turnover is expected to grow and the company's growth efforts are expected to decrease operating profit compared to 2019.

Fellow Finance's Financial Development 1-12/2019

Fellow Finance Group's consolidated turnover grew by 18,7% from previous financial year to 14,2 (12,0) million euros and consolidated EBIT margin was 11,6 % (28,1). Operating profit was 1,6 (3,4) million euros. Adjusted operating profit was 2,3 million euros (3,5)

Parent company's turnover grew by 9,9 % from previous financial year 8,4 (7,7) million euros and EBIT was 0,6 (2,0) million euros.



Fellow Finance's Balance sheet and funding

At the end of the year, the Fellow Finance Group's balance sheet total was 36,0 (32,4) million euros. Fellow Finance Group's debt receivables were 28,7 (21,3) million euros, which equates to 79,5% (65,6) of total assets.

Fellow Finance Group's interest bearing debt was 20,4 (16,9) million euros. Liabilities in total were 21,5 (17,9) million euros and equity totalled 14,5 (14,5) million euros.

Fellow Finance Group's equity ratio was 40,2 (44,8) percent. The Company issued a 15 million euros 29.5.2022 maturing bond in May 2019 for refinancing existing loans of the Company and its subsidiaries, diversifying sources of funding, expanding organic and inorganic business, and general corporate purposes.

Capital adequacy

Fellow Finance's capital adequacy management has been organized according to the laws regulating Payment Institutions. The base of the capital adequacy management is that payment institution's own assets, together with their quality and allocation are on a sufficient level to cover the risks that payment institution carries continuously. To calculate the required amount of assets, Fellow Finance uses transaction-based calculation method. A transaction is included in the calculation when an investor transfers money via platform to the borrower and when borrower do repayment to the investor.

Fellow Finance Plc's total capital was 13,3 million euros when the minimum adequate capital requirement was 0,45 million euros at the end of the financial period.

Essential events after financial period 2019

There have been no significant changes in the Company's business since the end of the financial year.

Annual general meeting

Fellow Finance Plc's Annual General Meeting of Shareholders was held in Helsinki on 3rd of April 2019. The Annual General Meeting approved the financial statements for 2018 and granted release from liability of the members of the Board of Directors and the CEO.

The Annual General Meeting made a resolution to pay a dividend according to board's proposal was totaled 0,04 euros per share. The day of dividend payment was 15.4.2019.

The Annual General Meeting decided to re-elect Kai Myllyneva (Chairman), Teemu Nyholm, Jorma Alanne, Harri Tilev and Esa Laurila to Fellow Finance Plc's Board of Directors. The annual remuneration of the independent members of the Board of Directors was 10.000 euros and the Chairman 15.000 euros. The term of office lasts until the next Annual General Meeting.

The Annual General Meeting elected KHT Timo Helle as the Auditor of the Company and Revico Grant Thornton as vice Auditor of the company until the next Annual General Meeting.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to establish a Shareholders' Nomination Board to prepare and present annually to the Annual General Meeting and, if necessary, the Extraordinary General Meeting, proposals on the



remuneration and number of Board members. In addition, the Nomination Board is responsible for finding successor candidates for Board members.

Other shareholder's unanimous resolutions regarding share issues and special rights entitling to shares are addressed in the section "Share and shareholders".

The Board, CEO and Auditors

The Company's Board of Directors is formed starting at 1st of August 2018 by Kai Myllyneva as a chairman of the Board of Directors and Teemu Nyholm, Jorma Alanne, Harri Tilev and Esa Laurila as board members. In the financial year 2019 the board met 14 times and the participation percentage in the meetings was 97 %.

The Company's Auditor is KHT Timo Helle (Revico Grant Thornton).

The Company's CEO in the financial period has been Jouni Hintikka.

Share and shareholders

The Company's number of shares in 31st of December 2019 was 7.173.625. The company's share is listed on the Nasdaq First North Growth Market Finland under the trading code FELLOW. The company's share capital at the end of the review period was 125.000 euros. At the end of the financial year, Fellow Finance did not hold any of its own shares.

The closing price of the share on the last trading day of the financial year, 30 December 2019, was 4,15 euros. The lowest trading price for 2019 was 3,0 euros and the highest 8,34 euros. Fellow Finance market capitalization at the end of the financial year was 29,8 million euros and the company had 2.557 owners.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on the repurchase of the company's own shares in one or more tranches using the company's unrestricted equity as follows. The maximum number of shares to be repurchased is 100.000. The shares will be repurchased otherwise than in proportion to the holdings of the shareholders in public trading on the Nasdaq Helsinki Ltd at the market price at the time of acquisition. The authorization is valid until the end of the next Annual General Meeting, but no later than June 30, 2020. The previous Board authorization expires on April 3, 2019.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on the issue of shares and the granting of special rights to shares referred to in Chapter 10, paragraph 1 of the Companies Act. The total number of shares to be issued, including the shares to be acquired on the basis of special rights, may not exceed 300.000 shares. The Board of Directors may decide to issue either new shares or treasury shares held by the company. The proposed maximum number of authorizations corresponds to approximately 4,2% of the total number of shares in the company, as of the date of the notice of the meeting. The authorization is valid until the end of the next Annual General Meeting, but no later than June 30, 2020. At the end of the financial year, 255.000 shares remained in the authorization.

In accordance with the proposal of the Board of Directors, the Annual General Meeting resolved to issue 200.000 stock options on the terms and conditions proposed by the Board of Directors.



There is a weighty financial reason for the issuance of stock options and deviations from the pre-emptive subscription right as the stock options are intended to form part of the incentive and commitment scheme for key personnel. Stock options encourage key personnel to work long-term to increase shareholder value. The stock options also aim to commit key personnel to the employer. The maximum total number of stock options is 200.000 and they are issued free of charge. The stock options entitle their holders to subscribe for a maximum of 200.000 new or existing shares in the company. The total number of shares to be subscribed for on the basis of the stock options now issued shall not exceed 2,8% of the total number of shares and voting rights of the Company, as of the date of the notice if any new shares are issued. The Board of Directors decided on the distribution of the 2019 stock options at its meeting on June 19, 2019. A total of 180.000 stock options were issued and 20.000 authorizations remain at the end of the financial year.

The largest shareholders

Shareholder list is based on Euroclear Finland Oy's list of registered shareholders. Dated 31st December 2019.

Nro	Name	Stocks	(%)
1	TAALERI OYJ	1 847 163	25,75
2	MARGIN INVESTMENTS OY	836 721	11,66
3	TN VENTURES OY	830 843	11,58
4	OY T&T NORDCAP AB	656 436	9,15
5	OP-SUOMI PIENYHTIÖT	266 642	3,72
6	OP-SUOMI MIKROYHTIÖT -ERIKOISSIJOITUSRAHASTO	265 000	3,69
7	AVENSIS CAPITAL OY	263 090	3,67
8	VAKUUTUSOSAKEYHTIÖ HENKI-FENNIA	156 512	2,18
9	SIJOITUSRAHASTO SÄÄSTÖPANKKI PIENYHTIÖT	128 841	1,80
10	SWISS LIFE (LUXEMBOURG) S.A.	77 392	1,08

Dividend policy and the Board of Directors dividend proposal

The Board of Directors of Fellow Finance made a resolution on the Company's dividend policy on 31st of July 2018. Fellow Finance seeks to distribute at least 30 percent of the Company's annual net profit to its Shareholders in dividends, taking into account the Company's financial condition and financing situation. However, the size and payment of dividend depend on at least the following: Company profits and financial condition, future investments, cash flow, amount of net debt and loan servicing requirements, and other factors deemed material by the Board. The dividend policy is in effect until further notice.

At the end of the financial period 2019 the parent company's distributable assets were 14.069.654,18 euros of which the financial period's 2019 profit was 596.832,07 euros. The Board of Directors proposes to the Annual General Meeting of Shareholders, which will be held 3.4.2020 that no dividend shall be paid for the financial period of 2019.

**Consolidated income statement, balance sheet, cash flow statement and change in equity (FAS)****CONSOLIDATED INCOME STATEMENT**

(1000eur)	1.7- 31.12.2019	1.7- 31.12.2018	1.1- 31.12.2019 (audited)	1.1- 31.12.2018 (audited)
REVENUE	6 956.9	6 376.3	14 193.7	11 958.8
Other income	0.0	0.0	0.0	2.3
Materials and services				
External services	-1 971.1	-1 949.3	-4 275.6	-3 788.7
Materials and services total	-1 971.1	-1 949.3	-4 275.6	-3 788.7
Personnel expenses				
Wages and salaries	-1 656.4	-869.1	-2 515.8	-1 414.1
Pension expenses	-153.5	-123.4	-316.4	-226.8
Other non-wage expenses	-30.8	-26.5	-49.2	-40.4
Personnel expenses total	-1 840.6	-1 019.0	-2 881.4	-1 681.4
Depreciation and amortization				
Depreciation according to plan	-210.1	-191.5	-390.8	-365.5
Depreciation on consolidated goodwill	-12.4	-12.4	-24.8	-24.8
Depreciation and amortization total	-222.5	-204.0	-415.6	-390.3
Other operating costs	-2 649.4	-1 520.7	-4 973.7	-2 743.5
OPERATING PROFIT/LOSS	273.2	1 683.3	1 647.4	3 357.1
Financial income and expenses				
Other interest and financial income				
From others	12.4	1.8	15.1	2.3
Interest and other financial expenses				
To others	-800.4	-1 637.1	-1 536.0	-2 306.3
Financial income and expenses total	-788.0	-1 635.3	-1 520.8	-2 304.0
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	-514.8	48.0	126.6	1 053.1
Income taxes	24.5	-36.1	-195.7	-255.2
PROFIT/LOSS FOR THE PERIOD	-490.3	11.9	-69.1	797.9

**CONSOLIDATED BALANCE SHEET
(1000eur)**

ASSETS	31.12.2019	31.12.2018
NON-CURRENT ASSETS		
Intangible assets		
Other capitalized long-term expenditure	904.0	620.4
Goodwill	10.3	35.2
Intangible assets total	<u>914.4</u>	<u>655.6</u>
Tangible assets		
Machinery and equipment	148.8	191.2
Tangible assets total	<u>148.8</u>	<u>191.2</u>
TOTAL NON-CURRENT ASSETS	1 063.2	846.8
CURRENT ASSETS		
Receivables		
Non-current		
Loan receivables	<u>22 779.2</u>	<u>15 846.3</u>
Non-current receivables total	22 779.2	15 846.3
Current		
Trade receivables	101.8	95.7
Loan receivables	5 878.1	5 411.3
Other receivables	1 761.8	1 156.9
Prepayments and accrued income	<u>534.5</u>	<u>347.5</u>
Current receivables total	8 276.1	7 011.3
Cash and cash equivalents		
Cash equivalents	0.0	0.0
Cash at banks	<u>3 922.1</u>	<u>8 688.1</u>
Cash and cash equivalents total	3 922.1	8 688.1
TOTAL CURRENT ASSETS	34 977.4	31 545.7
TOTAL ASSETS	36 040.6	32 392.5

**CONSOLIDATED BALANCE SHEET
(1000eur)**

EQUITY AND LIABILITES	31.12.2019	31.12.2018
SHAREHOLDER'S EQUITY		
Share capital	125.0	125.0
Invested unrestricted equity reserve	13 360.7	13 039.4
Retained earnings/loss	1 077.7	563.5
Profit/loss for the period	-69.1	797.9
TOTAL SHAREHOLDER'S EQUITY	14 494.2	14 525.8
LIABILITES		
Non-current		
Loans from financial institutions	0.0	2 000.0
Bonds	11 100.0	0.0
Other liabilities	2 660.0	11 215.0
Non-current liabilities total	13 760.0	13 215.0
Current		
Loans from financial institutions	700.0	800.0
Trade payables	383.2	275.9
Other liabilities	5 986.7	3 017.9
Accruals and deferred income	716.5	558.0
Current liabilities total	7 786.4	4 651.8
TOTAL LIABILITES	21 546.4	17 866.8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITES	36 040.6	32 392.5

**CONSOLIDATED CASH FLOW STATEMENT (1000 eur)**

	1.1- 31.12.2019	1.1- 31.12.2018
Cash flow from operations		
Profit (loss) before extraordinary items	126.6	1 053.1
Depreciation and amortisation according to plan	390.8	390.3
Financial income and expenses	1 520.8	2 304.0
Cash flow before change in working capital	2 038.2	3 747.5
Change in net working capital		
Increase (-)/decrease (+) in short-term non-interest-bearing receivables	-739.0	-38.7
Increase (+)/decrease (-) in short-term non-interest-bearing debts	282.4	216.4
Cash flow from business operations before financial items and taxes	1 581.7	3 925.2
Interest paid and payments made for other financial expenditure	-1 541.1	-2 306.3
Interest on business operations	15.1	2.3
Direct taxes paid	-257.5	-304.2
Cash flow from business operations (A)	-201.9	1 316.9
Cash flow from investments		
Investments in tangible and intangible assets	-645.8	-750.5
Loans extended increase(-)/decrease(+)	-7 399.7	-3 169.6
Cash flow from investments (B)	-8 045.5	-3 920.1
Cash flow from financing activities		
Public share issue	0.0	10 061.8
Current loans increase(+)/decrease(-)	2 895.0	-215.0
Non-current loans increase(+)/decrease(-)	545.0	200.0
Dividends paid and other distribution of profit	-285.1	-512.0
Share subscriptions	321.3	0.0
Translation difference	5.2	2.1
Cash flow from financing activities (C)	3 481.3	9 537.0
Change in cash and cash equivalents	-4 766.0	6 933.8
Cash and cash equivalents at the beginning of the period	8 688.1	1 754.3
Cash and cash equivalents at the end of the period	3 922.1	8 688.1
Change in cash and cash equivalents	-4 766.0	6 933.8



Change in SH's equity Financial period half-year 07- 12/2019, 1000eur	Share capital	Invested unrestricted equity reserve	Retained earnings/loss	SH's EQUITY TOTAL
Start balance 1.7.2019	125.0	13 039.4	1 490.7	14 655.1
Starting balance translation diff.				0.0
Dividend				0.0
Option subscriptions		321.3		321.3
Share issue				0.0
Translation differences			8.2	8.2
Profit/loss for the period			-490.3	-490.3
End balance 31.12.2019	125.0	13 360.7	1 008.6	14 494.2

Change in SH's equity Financial period 2019, 1000eur	Share capital	Invested unrestricted equity reserve	Retained earnings/loss	SH's EQUITY TOTAL
Start balance 1.1.2019	125.0	13 039.4	1 361.4	14 525.8
Starting balance translation diff.			-3.8	-3.8
Dividend			-285.1	-285.1
Option subscriptions		321.3		321.3
Share issue				0.0
Translation differences			5.2	5.2
Profit/loss for the period			-69.1	-69.1
End balance 31.12.2019	125.0	13 360.7	1 008.6	14 494.2

Change in SH's equity Financial period 2018, 1000eur	Share capital	Invested unrestricted equity reserve	Retained earnings/loss	SH's EQUITY TOTAL
Start balance 1.1.2018	125.0	2 977.5	1 073.4	4 175.9
Starting balance translation diff.			-0.9	-0.9
Dividend			-512.0	-512.0
Option subscriptions		83.5		83.5
Share issue		9 978.4		9 978.4
Translation differences			3.1	3.1
Profit/loss for the period			797.9	797.9
End balance 31.12.2018	125.0	13 039.4	1 361.4	14 525.8



Change in SH's equity Financial period half-year 07-12/2018, 1000eur	Share capital	Invested unrestricted equity reserve	Retained earnings/loss	SH's EQUITY TOTAL
Start balance 1.7.2018	125.0	2 977.5	1 350.0	4 452.6
Dividend				0.0
Option subscriptions		83.5		83.5
Share issue		9 978.4		9 978.4
Translation differences			-0.6	-0.6
Profit/loss for the period			11.9	11.9
End balance 31.12.2018	125.0	13 039.4	1 361.4	14 525.8

FELLOW FINANCE PLC

The Board of Directors

Further enquiries

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Fellow Finance in Brief

Fellow Finance Plc launched its operations in 2014 and it is an internationally active and growth oriented FinTech group that provides crowdfunding services for people and businesses. Fellow Finance is the leading¹ Nordic loan-based crowdfunding and peer-to-peer lending platform which has over 800 000 users from around 70 countries. Fellow Finance Plc is regulated by the Financial Supervisory Authority of Finland as an Authorized Payment Institution. Fellow Finance Plc is listed on Nasdaq First North Growth Market Finland and The Company has around 2500 shareholders.

<https://www.fellowfinance.com>

¹Measured by amount of financing facilitated. Source: Brismo Market Data (data accessed on 3 February 2020).



Calculation of Key Ratios

EBITDA	=	Operating profit + Depreciation, amortization and impairment losses
EBITDA margin, %	=	$\frac{\text{Operating profit + Depreciation, amortization and impairment losses}}{\text{Turnover}}$
Adjusted EBITDA	=	EBITDA + non-recurring operative costs ¹⁾
Adjusted EBITDA margin, %	=	$\frac{\text{Operating profit + non-recurring operative costs } ^{1)}}{\text{Turnover}}$
Adjusted operating profit (Adjusted EBIT)	=	Operating profit + non-recurring operative costs ¹⁾
Adjusted operating profit (Adjusted EBIT) margin, %	=	$\frac{\text{Operating profit + non-recurring operative costs } ^{1)}}{\text{Turnover}}$
Earnings before taxes (EBT), margin, %	=	$\frac{\text{Profit for the year + income taxes}}{\text{Turnover}}$
Adjusted earnings before taxes (Adjusted EBT)	=	Profit for the year + income taxes + non-recurring operative costs ¹⁾ + non-recurring financing costs ²⁾
Adjusted profit for the year	=	Profit for the year + non-recurring operative costs ¹⁾ + non-recurring financing costs ²⁾
Equity ratio, %	=	$\frac{\text{Equity}}{\text{Balance sheet total – prepayments received}}$
Return on equity (ROE), %	=	$\frac{\text{Profit for the year (annualised)}}{\text{Equity (average)}}$
Earnings per share (EPS), undiluted, EUR	=	$\frac{\text{Profit for the year}}{\text{Share split-adjusted average number of outstanding shares during period}}$
Adjusted earnings per share (oadjusted EPS), undiluted, EUR	=	$\frac{\text{Adjusted profit for the year}}{\text{Share split average number of outstanding shares during period}}$

Key Ratio explanations

¹⁾ Adjusted with Company's nonrecurring costs related on listing to Nasdaq's First North Finland -marketplace and option incentives related to that. Total of 0,2 million euros was booked on financial period 2018 and 0,7 million on financial period 2019 to personnel costs.

²⁾ Adjusted with Company's nonrecurring costs related on listing to Nasdaq's First North Finland -marketplace and financial expenses related to that. Total of 0,9 million euros was booked on financial period 2018 and 67,3 kEUR on financial period 2019 to financial items.