



## Corona virus pandemic reduced the volume of loans intermediated: turnover decreased by 19,8%

### 1.1.-30.6.2020 summary

- Turnover was 5,8 million euros (7,2), decrease of 19,8%
- EBIT was -51,7 thousand euro (1,4m) comprising -1% of turnover
- Intermediated loan volume was approximately 69,1 million euro (109,3 million euro), decrease of 36,8%
- Earnings per share was -0,10 euro (0,06)
- The insecurity caused by Corona virus pandemic reduced the volume of the supply of financing offered by the lenders
- Change of CEO on 30.6.2020

### Key Ratios

EUR 1,000 (unless otherwise informed)	(unaudited, unless otherwise informed)			
	01-06/2020	01-06/2019	1-12/2019	1-12/2018
<b>CONSOLIDATED KEY FIGURES</b>				
Turnover (EUR 1,000)	5 807.0	7 236.8	14 193.7 <sup>1)</sup>	11 958.8 <sup>1)</sup>
From which commissions	3 312.6	5 329.4	10 042.1 <sup>1)</sup>	8 967.0 <sup>1)</sup>
From which interest yields from loans	2 494.3	1 907.4	4 151.6 <sup>1)</sup>	2 991.8 <sup>1)</sup>
EBITDA	183.3	1 567.3	2 063.1	3 747.5
EBITDA margin %	3.2%	21.7%	14.5%	31.3%
Adjusted EBITDA	183.3	1 567.3	2 762.2 <sup>3)</sup>	3 922.3 <sup>2)</sup>
Adjusted EBITDA margin, %	3.2%	21.7%	19.5% <sup>3)</sup>	32.8% <sup>2)</sup>
Operating profit (EBIT)	-51.7	1 374.2	1 647.4 <sup>1)</sup>	3 357.1 <sup>1)</sup>
Operating profit (EBIT) -margin, %	-0.9%	19.0%	11.6% <sup>1)</sup>	28.1% <sup>1)</sup>
Adjusted operating profit (Adjusted EBIT)	-51.7	1 374.2	2 346.6 <sup>3)</sup>	3 531.9 <sup>2)</sup>
Adjusted operating profit (Adjusted EBIT) -margin, %	-0.9%	19.0%	16.5% <sup>3)</sup>	29.5% <sup>2)</sup>
Earnings before taxes (EBT)	-713	641.3	126.6 <sup>1)</sup>	1 053.1 <sup>1)</sup>
Earnings before taxes (EBT) -margin, %	-12.3%	8.9%	0.9%	8.8%
Adjusted earnings before taxes (Adjusted EBT)	-713	708.7 <sup>3)</sup>	893.0 <sup>3)</sup>	2 168.2 <sup>2)</sup>
Adjusted earnings before taxes (Adjusted EBT) -margin, %	-12.3%	9.8%	6.3% <sup>3)</sup>	18.1% <sup>2)</sup>
Profit for accounting period	-726.3	421.2	-69.1 <sup>1)</sup>	797.9 <sup>1)</sup>
Adjusted profit for accounting period	-726.3	475.0 <sup>3)</sup>	544.1 <sup>3)</sup>	1 690.0 <sup>2)</sup>
Lainaamo's loan receivables rate	24 488.5	27 727.6	28 657.3	21 257.6
Outstanding interest-bearing debt	15 870.0	22 054.1	20 370.0	16 930.0
Equity/share (issue-adjusted), EUR	1.9	2.1	2.0	2.0
Return on equity (ROE), %	neg.	5.8%	neg. <sup>1)</sup>	8.5% <sup>1)</sup>



Equity ratio, %	45.3%	38.3%	40.2% <sup>1)</sup>	44.8% <sup>1)</sup>
Personnel (average number)	45	38	50 <sup>1)</sup>	27 <sup>1)</sup>
Earnings per share (issue-adjusted) (EPS), undiluted, EUR	-0.10	0.06	-0.01	0.13
Adjusted earnings per share (Adjusted EPS), undiluted, EUR	-0.10	0.07 <sup>3)</sup>	0.08 <sup>3)</sup>	0.28 <sup>2)</sup>
Equity/share, EUR	1.9	2.1	2.0	2.0
Salaries and incentives	979.6	921.6	2 666.3	1 525.5
End balance of Balance Sheet	30 366.7	38 239.0	36 040.6	32 392.5
Average number of outstanding shares during period (issue-adjusted)	7 173 625	7 128 625	7 146 872	6 112 151
Number of outstanding shares at end of the period (issue-adjusted)	7 173 625	7 128 625	7 173 625	7 128 625

<sup>1)</sup> Audited

<sup>2)</sup> 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.

<sup>3)</sup> 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 thousand EUR to financial items. Adjusted Profit for accounting period takes on account the computational taxes if the nonrecurring costs were not actualized.

## Interim-CEO Teemu Nyholm: Corona virus pandemic brought challenges to our business in H1/2020

In the first half of 2020 the Corona virus pandemic and the restrictions caused by it together with the overall insecurity of the economic development hampered our business in several ways. The spreading of the pandemic to Europe in the spring lead a significant part of our investor clients interrupting their new investments on the platform as a natural precautionary measure which resulted in decrease of the financing supply in our service. Simultaneously we tightened our credit criteria in both business and consumer financing to maintain the return levels of our investors. In addition, caused by Corona pandemic, the central markets to us, Finland and Poland saw temporary regulation that limited the possibilities of intermediating and marketing of loans. These factors combined lead into a decrease of 25% in loan volumes compared to H1/2019.

However, we can be satisfied that the form of interest investment that we provide for our investors and the credit risk management proved their strength in the very challenging market environment. The repayment levels of both business and consumer loans did not face any significant deterioration. The average returns of investors remained positive, stable and on the pre-pandemic level. As a result, at the end of H1/2020 our investors started to restart investing gradually. This trend has continued to strengthen in the recent months. In addition, we were able to adjust our personnel and marketing cost to mitigate the effects of the decrease of turnover.

We are pleased with the development of the business financing operations and volume in H1/2020. Despite of the challenging business environment and tightened credit approval criteria



the volume grew by 15% compared to H1/2019. Especially the invoice finance and purchase invoice finance products showed their elasticity and efficiency from the risk management point of view enabling the funding of our business lending customers in the uncertain times. This way we were able to participate the continuity of Finnish SME companies over the crisis caused by Corona.

In the second half of 2020 we will focus on bringing our loan volumes back to the pre-pandemic levels and on laying the foundations for growth in 2021. We expect our profits to develop in better direction as credit losses and variable marketing costs will diminish. In accordance with our strategy we will invest in launching new innovative financing products on our platform and expanding our product portfolio in the countries we currently operate in. In the future our ambition is to offer with our technology financing products for private individuals and businesses in the channels in which the financing is used and demanded and by doing so to grow the customer loyalty and lifetime value for our company. We will continue investing heavily in the development of risk management tools and seek a heavier emphasize on the lower-risk products in our loan volumes. We still see a big growth potential in our investor accounts especially in the institutional segment and we believe to achieve significant success in that front by the end of the year. We will strengthen further our organization in the selected business areas and invest in product development to enable faster implementation of new products.

### **Financial goals and Profit Forecast 2020**

On 25th of March the company made an announcement of withdrawing its guidance for 2020 because of the significant uncertainty in the business environment.

The guidance will be issued when the visibility for the future is better.

### **Financial Development 1-6/2020**

Fellow Finance Group's consolidated turnover decreased by 19,8% from previous financial half-year to 5,8 (7,2) million euros and consolidated EBIT percentage was -0,9 (19). Operating profit was -0,05 (1,4) million euros. Parent company's turnover decreased by 39,1% from previous financial half-year 2,8 (4,6) million euros and EBIT was -0,2 (0,8) million euros. The operating profit was affected by non-recurring write-off of 356 thousand regarding company loan receivables.

### **Balance sheet and funding**

At the end of the financial period, the Fellow Finance Group's balance sheet total was 30,4 (38,2) million euros. Fellow Finance Group's debt receivables were 24,5 (27,7) million euros, which equates to 80,5% (72,5) of total assets.

Fellow Finance Group's interest bearing debt was 15,9 (22,1) million euros. Liabilities in total were 16,6 (23,6) million euros and equity totaled 13,8 (14,7) million euros.

Fellow Finance Group's equity ratio was 45,3 (38,3) percent.



## 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 13,36 million euros when the minimum adequate capital requirement was 0,46 million euros in the end of the financial half-year period.

## Essential events after H1/2020

After the end H1/2020 the company has strengthened its management team by appointing Juha Saari as Director responsible for consumer financing and as a member of the management team, Miikka Silvonen as Director responsible for business financing and as a member of the management team and appointed a management team member Antoni Airikkala as Director responsible for investor accounts. These appointments together with organizational changes the company will clarify the management structure and will focus company resources to key business areas. In addition to the aforementioned persons the other management team members are interim-CEO Teemu Nyholm and CFO Niko Stark (currently on a long-term medical leave).

## Decision taken by the annual general meeting

The Fellow Finance Plc's Annual General Meeting of Shareholders held in Helsinki on 17th of June 2020. The Annual General Meeting granted release from liability of the members of the Board of Directors and the CEO from the financial year 2019.

It was resolved that; no dividends will be paid for the financial year 2019 based on the proposition by the Board of Directors.

The Annual General Meeting resolved that Kai Myllyneva (Chairman of the Board), Harri Tilev, Teemu Nyholm, Esa Laurila and Jorma Alanne are re-elected as members to the Board of Directors for the following term of office ending at the closing of the next Annual General Meeting. It was decided that annual remuneration of EUR 15,000 will be paid to the Chairman of the Board of Directors and EUR 10,000 to the members of the Board of Directors. The remuneration is not paid to the members of the Board of Directors who are employed by the company.

The Annual General Meeting resolved, in accordance with the specified proposal by the Board of Directors, that Timo Helle, APA, is elected as the Auditor of the Company and that audit firm Revico Grant Thornton is elected as deputy auditor for the term of office ending at the closing of the next Annual General Meeting.



The Annual General Meeting resolved, in accordance with the Shareholders' Nomination Board's proposal, to approve the amended Shareholder's Nomination Board's Rules of Procedure so that the following paragraph was deleted:

"A person employed by or in the service of the Company or a member of the Board of Directors cannot be appointed as a member of the Nomination Board, with the exception of the Chairman of the Board of Directors who participates in the Board as a non-voting expert member."

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. During the half-year period the board met 10 times and the participation percentage in the meetings was 98%.

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

The Company's CEO in the financial period has been Jouni Hintikka. The Board of Directors and Jouni Hintikka agreed Jouni Hintikka to leave his position as company CEO on 30 of June 2020. Teemu Nyholm, company COO and member of the Board of Directors was appointed as interim-CEO.

### **Share and shareholders**

The Company's number of shares in 30<sup>th</sup> June 2020 was 7 173 625. The Company's share is listed on First North Finland -marketplace with trading code FELLOW. The share capital of the Company was 125.000 euros in the end of the half-year period. Fellow Finance did not own shares during the half-year period.

The shares' closing price on the last trading day on 30<sup>th</sup> June was 2,6 euros. The financial period's lowest trading price was 1,965 euros and the highest 4,36 euros. Fellow Finance Plc's market value at the end of the financial period was 18,65 million euros and the Company had 2505 shareholders.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, that the Board of Directors is authorised to resolve on the repurchase of the Company's own shares in one or several tranches using the Company's unrestricted shareholders' equity as follows. The maximum number of own shares to be repurchased is 100.000 shares. The shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders in public trading arranged by Nasdaq Finland Oy for the market price formed at the moment of purchase. The authorisation valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2021. The previous authorisation of the Board of Directors shall end to the Annual General Meeting on 17 June 2020.

The general meeting resolved, in accordance with the proposal of the Board of Directors, that the Board of Directors is authorised to resolve on a share issue and an issue of special rights



entitling to shares as referred to in Chapter 10 Section 1 of the Companies Act in one or several tranches, either against payment or without payment as follows. The aggregate amount of shares to be issued, including the shares to be received based on special rights, must not exceed 400.000 shares. The Board of the Directors may resolve to issue new shares or to transfer own shares possibly held by the company. The proposed maximum number of shares under the authorisation is approximately 5,6% of all the shares in the Company on the date of the Invitation to the Annual General Meeting. The authorisation is proposed to be valid until the closing of the next Annual General Meeting, however, no longer than 30 June 2021. The previous authorisation of the Board of Directors shall end to the Annual General Meeting on 17 June 2020.

### The biggest shareholders

Shareholder list is based on Euroclear Finland Oy's list of registered shareholders. Dated 30th June 2020.

No	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 MIKROYHTIÖT -ERIKOISSIJOITUSRAHASTO	298 174	4.16
6	OP-SUOMI PIENYHTIÖT	269 711	3.76
7	AVENSIS CAPITAL OY	182 000	2.53
8	VAKUUTUSOSAKEYHTIÖ HENKI-FENNIA	151 174	2.10
9	SIJOITUSRAHASTO SÄÄSTÖPANKKI PIENYHTIÖT	128 841	1.80
10	SYRJÄNEN EVA ANNIKA ELISABETH	84 698	1.18

### 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 31<sup>st</sup> 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.

As disclosed in the annual general meeting on 17 June 2020 no dividends will be paid for the financial year 2019.



In the end of the half-year period distributable funds in shareholder's equity were 13.953.068,60 euros, of which loss for the period 116.585,85 euros.

### Consolidated income statement, balance sheet, cash flow statement and change in equity (FAS)

<b>CONSOLIDATED INCOME STATEMENT (1000eur)</b>	<b>1.1- 30.6.2020</b>	<b>1.1- 30.6.2019</b>	<b>1.1- 31.12.2019 (audited)</b>	<b>1.1- 31.12.2018 (audited)</b>
<b>TURNOVER</b>	<b>5 807.0</b>	<b>7 236.8</b>	<b>14 193.7</b>	<b>11 958.8</b>
<b>Other income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.3</b>
Materials and services				
External services	-1 397.2	-2 304.5	-4275.6	-3 788.7
Materials and services total	-1 397.2	-2 304.5	-4275.6	-3 788.7
Personnel expenses				
Wages and salaries	-938.8	-859.4	-2 515.8	-1 414.1
Pension expenses	-145.6	-162.9	-316.4	-226.8
Other non-wage expenses	-45.7	-18.4	-49.2	-40.4
Personnel expenses total	-1 130.1	-1 040.7	-2 881.4	-1 681.4
Depreciation and amortization				
Depreciation according to plan	-224.7	-180.7	-390.8	-365.5
Depreciation on consolidated goodwill	-10.3	-12.4	-24.8	-24.8
Depreciation and amortization total	-235.0	-193.1	-415.6	-390.3
Other operating costs	-3 096.2	-2 324.3	-4 973.7	-2 743.5
<b>OPERATING PROFIT/LOSS</b>	<b>-51.7</b>	<b>1 374.2</b>	<b>1 647.4</b>	<b>3 357.1</b>
Financial income and expenses				
Other interest and financial income				
From others	8.7	2.7	15.1	2.3
Interest and other financial expenses				
To others	-670.1	-735.5	-1 536.0	-2 306.3
Financial income and expenses total	-661.3	-732.8	-1 520.8	-2 304.0
<b>PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES</b>	<b>-713.0</b>	<b>641.3</b>	<b>126.6</b>	<b>1 053.1</b>
Income taxes	-13.3	-220.1	-195.7	-255.2
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-726.3</b>	<b>421.2</b>	<b>-69.1</b>	<b>797.9</b>



FELLOW FINANCE



**CONSOLIDATED BALANCE SHEET  
(1000eur)**

<b>ASSETS</b>	<b>30/06/2020</b>	<b>30/06/2019</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
<b>NON-CURRENT ASSETS</b>				
Intangible assets				
Other capitalized long-term expenditure	773.8	925.9	904.0	620.4
Goodwill	0.0	22.7	10.3	35.2
Intangible assets total	773.8	948.6	914.4	655.6
Tangible assets				
Machinery and equipment	122.6	177.7	148.8	191.2
Tangible assets total	122.6	177.7	148.8	191.2
<b>TOTAL NON-CURRENT ASSETS</b>	<b>896.3</b>	<b>1 126.4</b>	<b>1 063.2</b>	<b>846.8</b>
<b>CURRENT ASSETS</b>				
Receivables				
Non-current				
Loan receivables	17 308.1	21 951.8	22 779.2	15 846.3
Non-current receivables total	17 308.1	21 951.8	22 779.2	15 846.3
Current				
Trade receivables	79.6	137.2	101.8	95.7
Loan receivables	7 188.1	5 775.8	5 878.1	5 411.3
Other receivables	465.7	1 023.0	1 761.8	1 156.9
Prepayments and accrued income	468.5	525.6	534.5	347.5
Current receivables total	8 201.9	7 461.5	8 276.1	7 011.3
Cash and cash equivalents				
Cash equivalents	0.0	0.0	0.0	0.0
Cash at banks	3 959.8	7 699.3	3 922.1	8 688.1
Cash and cash equivalents total	3 959.8	7 699.3	3 922.1	8 688.1
<b>TOTAL CURRENT ASSETS</b>	<b>29 469.8</b>	<b>37 112.7</b>	<b>34 977.4</b>	<b>31 545.7</b>
<b>TOTAL ASSETS</b>	<b>30 366.1</b>	<b>38 239.0</b>	<b>36 040.6</b>	<b>32 392.5</b>

**CONSOLIDATED BALANCE SHEET  
(1000eur)**

<b>EQUITY AND LIABILITES</b>	<b>30/06/2020</b>	<b>30/06/2019</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
<b>SHAREHOLDER'S EQUITY</b>				
Share capital	125.0	125.0	125.0	125.0
Invested unrestricted equity reserve	13 360.7	13 039.4	13 360.7	13 039.4
Retained earnings/loss	996.7	1 069.5	1 077.7	563.5
Profit/loss for the period	-726.3	421.2	-69.1	797.9
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>13 756.0</b>	<b>14 655.1</b>	<b>14 494.2</b>	<b>14 525.8</b>
<b>LIABILITES</b>				
Non-current				
Loans from financial institutions	0.0	500.0	0.0	2 000.0
Bonds	11 100.0	10 899.1	11 100.0	0.0
Other liabilities	2 310.0	4 370.0	2 660.0	11 215.0
Non-current liabilities total	13 410.0	15 769.1	13 760.0	13 215.0
Current				
Loans from financial institutions	500.0	400.0	700.0	800.0
Trade payables	175.8	413.2	383.2	275.9
Other liabilities	1 967.6	5 951.3	5 986.7	3 017.9
Accruals and deferred income	556.7	1 050.3	716.5	558.0
Current liabilities total	3 200.1	7 814.9	7 786.4	4 651.8
<b>TOTAL LIABILITES</b>	<b>16 610.1</b>	<b>23 584.0</b>	<b>21 546.4</b>	<b>17 866.8</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITES</b>	<b>30 366.1</b>	<b>38 239.0</b>	<b>36 040.6</b>	<b>32 392.5</b>

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

	1.1.- 30.6.2020	1.1.- 30.6.2019
<b>Cash flow from operations</b>		
Profit (loss) before extraordinary items	-713.0	641.3
Depreciation and amortisation according to plan	235.0	193.1
Financial income and expenses	661.3	732.8
Cash flow before change in working capital	183.3	1 567.3
Change in net working capital		
Increase (-)/decrease (+) in short-term non-interest-bearing receivables	1 372.8	-85.8
Increase (+)/decrease (-) in short-term non-interest-bearing debts	-405.3	259.7
Cash flow from business operations before financial items and taxes	1 150.8	1741.2
Interest paid and payments made for other financial expenditure	-670.1	-528.8
Interest on business operations	8.7	2.7
Direct taxes paid	-35.3	-109.7
<b>Cash flow from business operations (A)</b>	<b>454.1</b>	<b>1 105.5</b>
<b>Cash flow from investments</b>		
Investments in tangible and intangible assets	-68.2	-460.2
Loans extended increase(-)/decrease(+)	4 161.1	-6 470.0
<b>Cash flow from investments (B)</b>	<b>4 092.9</b>	<b>-6 930.2</b>
<b>Cash flow from financing activities</b>		
Current loans increase(+)/decrease(-)	-4 150.0	2 570.0
Non-current loans increase(+)/decrease(-)	-350.0	2 554.1
Dividends paid and other distribution of profit	0	-285.1
Translation difference	-9.3	-3.0
<b>Cash flow from financing activities (C)</b>	<b>-4 509.3</b>	<b>4 835.9</b>
<b>Change in cash and cash equivalents</b>	<b>37.7</b>	<b>-988.8</b>
Cash and cash equivalents at the beginning of the period	3 922.1	8 688.1
Cash and cash equivalents at the end of the period	3 959.8	7 699.3
Change in cash and cash equivalents	37.7	-988.8



<b>Change in SH's equity Financial period half-year 01- 06/2020, 1000eur</b>	<b>Share capital</b>	<b>Invested unrestricted equity reserve</b>	<b>Retained earnings/loss</b>	<b>SH's EQUITY TOTAL</b>
<b>Start balance 1.1.2020</b>	<b>125.0</b>	<b>13 360.7</b>	<b>1 008.6</b>	<b>14 494.3</b>
Starting balance translation diff.			-2.6	-2.6
Dividend			0.0	0.0
Option subscriptions				0.0
Share issue				0.0
Translation differences			-9.3	-9.3
Profit/loss for the period			-726.3	-726.3
<b>End balance 30.6.2020</b>	<b>125.0</b>	<b>13 360.7</b>	<b>270.4</b>	<b>13 756.1</b>

  

<b>Change in SH's equity Financial period half-year 01- 06/2019, 1000eur</b>	<b>Share capital</b>	<b>Invested unrestricted equity reserve</b>	<b>Retained earnings/loss</b>	<b>SH's EQUITY TOTAL</b>
<b>Start balance 1.1.2019</b>	<b>125.0</b>	<b>13 039.4</b>	<b>1 361.4</b>	<b>14 525.8</b>
Starting balance translation diff.			-3.8	-3.8
Dividend			-285.1	-285.1
Option subscriptions				0.0
Share issue				0.0
Translation differences			-3.0	-3.0
Profit/loss for the period			421.2	421.2
<b>End balance 30.6.2019</b>	<b>125.0</b>	<b>13 039.4</b>	<b>1 490.7</b>	<b>14 655.1</b>

  

<b>Change in SH's equity Financial period 2019, 1000eur</b>	<b>Share capital</b>	<b>Invested unrestricted equity reserve</b>	<b>Retained earnings/loss</b>	<b>SH's EQUITY TOTAL</b>
<b>Start balance 1.1.2019</b>	<b>125.0</b>	<b>13 039.4</b>	<b>1 361.4</b>	<b>14 525.8</b>
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
<b>End balance 31.12.2019</b>	<b>125.0</b>	<b>13 360.7</b>	<b>1 008.6</b>	<b>14 494.3</b>

  

<b>Change in SH's equity Financial period 2018, 1000eur</b>	<b>Share capital</b>	<b>Invested unrestricted equity reserve</b>	<b>Retained earnings/loss</b>	<b>SH's EQUITY TOTAL</b>
<b>Start balance 1.1.2018</b>	<b>125.0</b>	<b>2 977.5</b>	<b>1 073.4</b>	<b>4 175.9</b>
Starting balance translation diff.			-0.9	0.9
Dividend			-512	-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 1 361.5 14 527.7

**FELLOW FINANCE PLC**  
The Board of Directors

**Further enquiries**

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**Fellow Finance in Brief**

Fellow Finance Plc is the leading<sup>1</sup> loan-based crowdfunding and peer-to-peer lending platform in the Nordic countries. The company’s mission is to transform the traditional bank financing into direct lending between people and businesses. Fellow Finance has intermediated consumer and business financing of more than 650 million euros in Finland, Sweden, Denmark, Germany, Poland and Czech Republic and served more than 950.000 customers. The company is regulated by the Financial Supervisory Authority of Finland as an Authorized Payment Institution and listed on the Nasdaq First North Growth Market Finland.

*1Measured by the amount of financing facilitated. Source: Brismo Market Data (data accessed on 28 August 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 <sup>1</sup>
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 <sup>1</sup>
Adjusted operating profit (Adjusted EBIT) margin, %	=	$\frac{\text{Operating profit + non-recurring operative costs}^1}{\text{Turnover}}$



## FELLOW FINANCE

Earnings before taxes (EBT), margin, %	=	$\frac{\text{Profit for the year} + \text{income taxes}}{\text{Turnover}}$
Adjusted earnings before taxes (Adjusted EBT)	=	$\text{Profit for the year} + \text{income taxes} + \text{non-recurring operative costs}^1 + \text{non-recurring financing costs}^2$
Adjusted profit for the year	=	$\text{Profit for the year} + \text{non-recurring operative costs}^1 + \text{non-recurring financing costs}^2$
Equity ratio, %	=	$\frac{\text{Equity}}{\text{Balance sheet total} - \text{prepayments received}}$
Return on equity (ROE), %	=	$\frac{\text{Profit for the year (annualised)}}{\text{Equity (average)}}$
Earnings per share (EPS), undiluted, EUR	=	$\frac{\text{Profit for the year}}{\text{Share split-adjusted}^3 \text{ average number of outstanding shares during period}}$
Adjusted earnings per share (oadjusted EPS), undiluted, EUR	=	$\frac{\text{Adjusted profit for the year}}{\text{Share split}^3 \text{ average number of outstanding shares during period}}$