

**DIGITALIST GROUP'S HALF-YEAR REVIEW, 1 JANUARY–30 JUNE 2024 (Not audited)****SUMMARY****April–June 2024 (comparable figures for 2023 in parentheses):**

- Turnover: EUR 4.0 million (EUR 4.3 million), decrease: 6.8%.
- EBITDA: EUR -0.7 million (EUR -0.6 million), -18.2% of turnover (-13.7%).
- EBIT: EUR -0.7 million (EUR -0.8 million), -18.1% of turnover (-18.1%).
- Net income: EUR -1.5 million (EUR -1.2 million), -37.6% of turnover (-27.4%).
- Earnings per share (diluted and undiluted): EUR -0.00 (EUR -0.00).

January–June 2024 (comparable figures for 2023 in parentheses):

- Turnover: EUR 7.9 million (EUR 8.9 million), decrease: 11.5%.
- EBITDA: EUR -1.1 million (EUR -0.9 million), -14.4% of turnover (-10.3%).
- EBIT: EUR -1.3 million (EUR -1.3 million), -17.0% of turnover (-15.0%).
- Net income: EUR -2.6 million (EUR -2.0 million), -32.4% of turnover (-22.3%).
- Earnings per share (diluted and undiluted): EUR -0.00 (EUR -0.00).
- Cash flow from operations: EUR -0.9 million (EUR -0.6 million).
- Number of employees at the end of the review period: 127 (136), decrease of 6.6%.

Future prospects

In 2024, it is expected that turnover will maintain its current level and EBITDA will improve in comparison with 2023.

CEO's review

The first half of 2024 has brought both challenges and growth opportunities for Digitalist Group. While the economic environment in Finland remains difficult, with clients hesitant to initiate new projects, our Swedish operations continue to show growth. Sweden now accounts for 70% of our total turnover, up from 58% in the same period last year.

Turnover for the first half stood at EUR 7.9 million, reflecting an 11.5% decline compared to the same period in 2023. The performance of our Swedish operations has helped mitigate some of this impact. We are pleased to report new partnerships with key clients in Sweden, such as FLIR, Balder, Essity and Getinge which have driven growth in this region.

Removing the effects of our now divested company FutureLab and from Open Communications (acquired July 2023), we saw a 6% increase in overall turnover from the business in Sweden.



While the first half has been weaker than expected, especially in Finland, strategic initiatives including cost-saving measures and more efficient collaboration between group companies are beginning to show results, with EUR 0.3 million savings in personnel and operating expenses compared to the same period in 2023.

In addition, Digitalist Open Cloud AB is now fully operational, offering Open Cloud SaaS solutions. This has strengthened our service portfolio and positioned us well for future growth in the SaaS market.

Despite the challenging conditions in Finland, we secured significant new projects with VR (Finnish Railroads), Kide Science, Omena Hotels, and Pirha. These wins reflect our ability to remain competitive even in tough circumstances. Combined with the momentum in Sweden, we are optimistic as we enter the second half of the year.

Moving forward, we will continue to focus on operational efficiency, capitalizing on the growing opportunities in Sweden, and maintaining a disciplined approach to managing the challenges in Finland. I would like to thank all of our employees for their dedication and hard work during this period. Together, we are laying the foundation for a stronger, more resilient future for Digitalist Group.

/ CEO, Magnus Leijonborg

SEGMENT REPORTING

Digitalist Group reports its business in a single segment.

TURNOVER

In the second quarter, the Group's turnover was EUR 4.0 million (EUR 4.3 million), which is 6.8% less than in the previous year. Ongoing general economic uncertainty was evident also in the second quarter.

The Group's turnover for the review period totalled EUR 7.9 million (EUR 8.9 million), which is 11.5% decrease to the previous year. The market conditions in Finland have been challenging. The share of turnover earned outside Finland is 70% (58%). The proportion of revenue generated in Finland decreased, due to clients being more cautious about initiating new projects amid economic uncertainty. Conversely, the portion of revenue generated outside Finland increased, driven by overall growth in the Swedish business. The net impact on turnover during the review period, resulting from the divestment of FutureLab and the acquisition of Open Communications, is EUR 0.1 million compared to the comparable period.

RESULT

In the second quarter, EBITDA was EUR -0.7 million (EUR -0.6 million), EBIT was EUR -0.7 million (EUR -0.8 million), and profit before taxes was EUR -1.5 million (EUR -1.1 million). Lower sales had a negative impact on EBITDA. The exchange gains booked on balance sheet items improved financial items in the comparison period. Net income for the second quarter amounted to EUR -1.5 million (EUR -1.2 million), earnings per share were EUR -0.00 (EUR -0.00).



In the review period, EBITDA came to EUR -1.1 million (EUR -0.9 million), EBIT was EUR -1.3 million (EUR -1.3 million), and profit before taxes was EUR -2.5 million (EUR -1.9 million). EUR 0.3 million savings in operating expenses and personnel expenses improved the EBITDA. Conversely, EBITDA was negatively influenced by lower sales. The EBIT was positively influenced by the decrease of depreciations of leases and fixed assets. The net financial income and expenses were EUR -1.2 million (EUR -0.6 million). Financial income of the comparison period was impacted by exchange gains booked on the balance sheet (EUR 0.2 million) and Business Finland's non-collection decision on a EUR 0.3 million part of a product development loan. Net income for the financial period amounted to EUR -2.6 million (EUR -2.0 million), earnings per share were EUR 0.00 (EUR -0.00) and cash flow from operating activities per share was EUR -0.00 (EUR -0.00).

RETURN ON EQUITY

The Group's shareholders' equity amounted to EUR -35.6 million (EUR -32.1 million). The Group's equity considering the capital loans was EUR -16.5 million (EUR -15.3 million). More information on capital loans is in the section of the balance sheet and financing. Return on equity (ROE) was negative. Return on investment (ROI) was -89.7 (-19.4) per cent.

INVESTMENTS

There were no significant investments (EUR 0.0 million).

BALANCE SHEET AND FINANCING

The balance sheet total was EUR 10.3 million (EUR 10.8 million). The equity ratio was -345.1% (-298.7%).

At the end of the review period, the Group's liquid assets totalled EUR 0.3 million (EUR 1.0 million). The minority shareholders of Digitalist Open Tech AB (ex Digitalist Sweden AB) repaid EUR 1.4 million long-term debt to Digitalist Group Oyj during the comparison period.

At the end of the review period the Group's interest-bearing liabilities amounted to EUR 36.6 million (EUR 35.1 million). The Group's balance sheet recognised EUR 11.4 million (EUR 11.3 million) in loans from financial institutions, including the overdrafts in use. IFRS 16 leasing debts were EUR 0.7 million (EUR 1.2 million).

The loans from related parties amount to EUR 24.5 million (EUR 22.6 million). The increase is primarily due to the loan drawn from Turret, as announced on 31 October 2023. EUR 19.1 million (EUR 16.8 million) related party loans were capital loans, EUR 3.9 million (EUR 5.8 million) were convertible bonds. EUR 0.0 million (EUR 5.8 million) of the convertible bonds were short term. Other short term loans to related parties were EUR 0.0 million (EUR 0.0 million). The change is due to the partial conversion of convertible bonds into capital loans under Chapter 12 of the Companies Act, along with the extension of their maturity date. More information on the arrangements is in the section of related-party transactions.



CASH FLOW

The Group's cash flow from operating activities during the review period was EUR -0.9 million (EUR -0.6 million), the development was influenced by improved working capital but lower profitability. In order to fasten the rate of turnover of trade receivables, the Group sells some of its trade receivables from Finnish and Swedish customers.

GOODWILL

On 30 June 2024, the consolidated balance sheet recognised EUR 5.3 million (EUR 5.0 million) in goodwill. The company conducted an IAS 36 impairment test on its goodwill to reflect the status on 30 June 2024, and stated that there is no need to an impairment charge.

PERSONNEL

The average number of employees during the period under review was 125 (138), and the Group had 127 (136) at the end of the period. At the end of the review period, 55 (59) of the Group's personnel were employed by the Finnish companies, and 72 (77) were employed in the Group's foreign companies.

SHARES AND SHARE CAPITAL

Share turnover and price

During the review period, the company's share price hit a high of EUR 0.02 (EUR 0.03) and a low of EUR 0.01 (EUR 0.02), and the closing price on 30 June 2024 was EUR 0.01 (EUR 0.02). The average price during the review period was EUR 0.01 (EUR 0.02). During the period under review, 50 197 674 (30 821 647) shares were traded, corresponding to 7.24 (4.52) per cent of the number of shares in circulation at the end of the review period. The Group's market capitalisation at the closing share price on 30 June 2024 was EUR 5 270 072 (EUR 12 966 032).

Share capital

At the beginning of the period under review, the company's registered share capital was EUR 585 394.16, and there were 693 430 455 shares. At the end of the period, the share capital was EUR 585 394.16, and there were 693 430 455 shares. The company has one class of shares. At the end of the reporting period, the company held a total of 7 664 943 treasury shares, 1,1% of all shares.

Option programmes 2021

The option rights belonging to the company's option program 2021 are marked with the codes 2021A1, 2021A2, 2021B1, 2021B2 and 2021C1. A maximum of 60,000,000 stock options can be issued and they entitle to subscribe for a maximum of 60,000,000 new shares of the Company. A total of 38,450,000 options belonging to the 2021A1 and 2021A2 series have been distributed among the options included in the option program.



18,850,000 of the distributed options have expired, so based on the terms of the option program, it is possible to subscribe for a maximum of 19,600,000 new shares of the Company.

The theoretical value of the options allocated by the end of review period is approximately EUR 0.8 million, which is recognised as an expense in accordance with IFRS 2 for the years 2021-2025. The expense recognition for 2024 is EUR 0.1 million. The expense recognition does not have cash flow impact.

Terms and conditions of option programs can be found at the Company's web site <https://digitalist.global>.

Shareholders

The number of shareholders on 30 June 2024 was 5 616 (5 611). Private individuals owned 11.4 (10.6) per cent of the shares, and institutions held 88.6 (89.4) per cent. Nominee-registered shares accounted for 12.7 (3.0) per cent of the total.

CHANGES IN THE GROUP STRUCTURE

Digitalist Open Tech AB sold its IT and SaaS consultancy business to the newly established Digitalist Open Cloud AB through an internal business transfer agreement 1 April 2024. Digitalist Open Cloud AB is now a subsidiary of Digitalist Open Tech AB, with a 15% minority stake held by other parties.

Digitalist Group divested its fully-owned subsidiary Open Communications International AB 31 May 2024 to its subsidiary Grow AB, in which it holds a 90% ownership. Sales price was EUR 0.9 million.

EVENTS SINCE THE FINANCIAL PERIOD

There have been no significant events since the end of the financial period.

RELATED-PARTY TRANSACTIONS AND MANAGERS' TRANSACTIONS

Financing arrangements with related parties:

Strengthening Digital Group Plc's equity, conversion of convertible bonds partly into capital loans

In order to strengthen the Company's equity, Digital Group decided on 22 March 2024 to utilize the right provided by Turret Oy Ab and Holdix Oy Ab to convert a total of 1,907,175.40+interest 334,513.29 euros of the principal and interest of the convertible bonds 2021/3 and 2021/4 subscribed by Turret and Holdix into a capital loan in accordance with Chapter 12 of the Limited Liability Companies Act.

Amendment of the terms concerning Convertible Bonds 2021/1, 2021/2, 2021/3, 2021/4 and 2022/1 issued by Digitalist Group Plc

Convertible Bonds 2021/1, 2021/3 and 2022/1 directed to Turret Oy Ab



The Annual General Meeting of Digitalist Group 25 April 2024 resolved on the amendments to the Terms of the Convertible Bonds 2021/1, 2021/3, and 2022/1 issued to Turret.

Digitalist Group Plc and Turret Oy Ab signed agreements April 26 2024 to amend the terms of the Convertible Bonds 2021/1, 2021/3, and 2022/1 and the option rights and other special rights pursuant to Chapter 10 section 1(2) of the Limited Liability Companies Act attached to them issued to Turret.

The maturity of the Convertible Bonds was extended to 30 September 2026.

Convertible Bonds 2021/2 and 2021/4 directed to Holdix Oy Ab

The Annual General Meeting of Digitalist Group 25 April 2024 resolved on the amendments to the Terms of the Convertible Bonds 2021/2 and 2021/4 issued to Holdix.

Digitalist Group and Holdix Oy Ab signed agreements April 26 2024 to amend the terms of the Convertible Bonds 2021/2 and 2021/4 and the option rights and other special rights pursuant to Chapter 10 section 1(2) of the Limited Liability Companies Act attached to them issued to Holdix.

The maturity of the Convertible Bonds was extended to 30 September 2026.

The stock exchange releases regarding the arrangements are on the company's website at <https://digitalist.global/investors/releases>

OTHER EVENTS DURING THE SECOND QUARTER

Annual General Meeting 25 April 2024

The company held its Annual General Meeting on 25 April 2024. The minutes of the Annual General Meeting and the decisions made are on the company's website at <https://digitalist.global/investors/hallinnointi/yhtiökokous>

The Annual General Meeting resolved that the loss EUR 4,575,895.22 indicated by the financial statements for 2023 be recorded in the Company's profit and loss account, and that no dividend be paid to shareholders for the financial period 2023.

The Annual General Meeting elected Johan Almquist, Paul Ehrnrooth, Peter Eriksson, Esa Matikainen, and Andreas Rosenlew as ordinary members of the Board of Directors, and Magnus Wetter as a new member of the Board of Directors. At the Board meeting held on 25 April 2024 after the Annual General Meeting, the Board of Directors elected Esa Matikainen as the Chair of the Board and Andreas Rosenlew as the Deputy Chair of the Board. The Board resolved to continue with the Audit Committee. Esa Matikainen was elected as a chairman and Peter Eriksson and Magnus Wetter as members of the Audit Committee.

The Board of Directors evaluated on the date of half-year review the independence of the Committee members in compliance with the recommendations of the Finnish Corporate Governance Code 2020 as follows. Esa Matikainen and Magnus Wetter are independent of the company and independent of a significant shareholder. Peter Eriksson is independent of the company and dependent on a significant shareholder.



Audit firm KPMG Oy Ab was appointed as the company's auditor.

Authorisation of the Board of Directors to decide on share issues and on granting special rights entitling to shares

The Annual General Meeting authorised the Board to decide on a paid share issue and on granting option rights and other special rights entitling to shares that are set out in Chapter 10 Section 1 of the Finnish Limited Liability Companies Act, or on the combination of all or some of the aforementioned instruments in one or more tranches on the following terms and conditions:

The total number of the Company's treasury shares and new shares to be issued under the authorisation may not exceed 346,715,227, which corresponds to approximately 50 per cent of all the Company's shares at the time of convening the Annual General Meeting.

Within the limits of the aforementioned authorisation, the Board of Directors may decide on all terms and conditions applied to the share issue and to the special rights entitling to shares, such as that the payment of the subscription price may take place not only by cash but also by setting off receivables that the subscriber has from the Company.

The Board of Directors shall be entitled to decide on crediting the subscription price either to the Company's share capital or, entirely or in part, to the invested unrestricted equity fund.

The share issue and the issuance of special rights entitling to shares may also take place in a directed manner in deviation from the pre-emptive rights of shareholders if there is a weighty financial reason for the Company to do so, as set out the Limited Liability Companies Act. In such a case, the authorisation may be used to finance corporate acquisitions or other investments related to the operations of the Company as well as to maintain and improve the solvency of the Group and to carry out an incentive scheme.

The authorisation is proposed to be effective until the Annual General Meeting held in 2025, yet no further than until 30 June 2025.

Authorising the Board of Directors to decide on the acquisition and/or on the acceptance as pledge of the Company's treasury shares

The Annual General Meeting authorised the Board to decide on acquiring or accepting as pledge, using the Company's distributable funds, a maximum of 69,343,000 treasury shares, which corresponds to approximately 10 per cent of the Company's total shares at the time of convening the Annual General Meeting. The acquisition may take place in one or more tranches. The acquisition price shall not exceed the highest market price of the share in public trading at the time of the acquisition.

In executing the acquisition of treasury shares, the Company may enter into derivative, share lending or other contracts customary in the capital market, within the limits set out in laws and regulations. The authorisation entitles the Board to decide on an acquisition in a manner other than in a proportion to the shares held by the shareholders (directed acquisition).



The Company may acquire the shares to execute corporate acquisitions or other business arrangements related to the Company's operations, to improve its capital structure, or to otherwise further transfer the shares or cancel them.

The authorisation is proposed to include the right for the Board of Directors to decide on all other matters related to the acquisition of shares. The authorisation is proposed to be effective until the Annual General Meeting held in 2025, yet no further than until 30 June 2025.

The Annual General Meeting approved the Board's proposals to change the terms of the Convertible Bonds 2021/1, 2021/3, and 2022/1 issued to Turret Oy Ab without modifications.

The Annual General Meeting approved the Board's proposals to change the terms of the Convertible Bonds 2021/2 and 2021/4 issued to Holdix Oy Ab without modifications.

It was noted that the following measures have been taken in the Company after the end of the fiscal year on December 31, 2023:

- Convertible bonds 2021/3 and 2021/4 were partially converted into capital loans as per Chapter 12 of the Companies Act, as announced on March 22, 2024; and
- the General Meeting has decided, following the board's proposals, to change the terms of the Convertible Bonds 2021/1, 2021/2, 2021/3, 2021/4, and 2022/1, including their maturity extensions until September 30, 2026.

It was noted that these actions have supported and will support the Company's balance sheet and solvency.

It was resolved to accept the proposition of the Board of Directors of the Company not to implement immediate additional measures to rectify the Company's financial position, but the Company will actively evaluate other possibilities and means to support the Company's financial standing.

The stock exchange releases are on the company's website at <https://digitalist.global/investors/releases>

RISK MANAGEMENT AND SHORT-TERM UNCERTAINTIES

The objectives of Digitalist Group Plc's risk management are to ensure the uninterrupted continuity and development of the company's operations, support the achievement of the company's business objectives and increase the company's value. For more details about the organisation of risk management, processes and identified risks, see the company's website at <https://digitalist.global>

The company has been making a loss despite the efficiency measures it has taken. The company's loss-making performance directly affects its working capital and the sufficiency of its financing. This risk is managed by maintaining the capacity to use different financing solutions. The company aims to continuously assess and monitor the amount of necessary business financing to ensure that it has sufficient liquid assets to finance its operations and repay maturing loans. Any disruptions in the financial arrangements would weaken Digitalist Group's financial position.



The company is currently dependent on external financing, most of which has been obtained from related-party companies and financial institutions. Digitalist Group's ability to finance its operations and reduce the amount of its debt depends on several factors, such as the cash flow from operations and the availability of debt and equity financing, and there is no certainty that such financing will be available in the future. Similarly, there can be no certainty in the long term that Digitalist Group will be able to obtain additional debt or refinance its current debt on acceptable terms, if at all. In 2024 the company's related party loans were restructured to strengthen shareholders' equity and the maturity of the convertible bonds was extended until the autumn 2026.

Any changes to key client accounts could have a substantial impact on Digitalist Group's operations, earning potential and financial position. If one of Digitalist Group's largest clients decided to switch to a competing company or drastically altered its operating model, the chances of finding client volumes to replace the shortfall in the near term would be limited.

The Group's business consists mainly of individual client agreements, which are often relatively short-term. Forecasting the start dates and scopes of new products is occasionally challenging, while the cost structure is largely fixed. The aforementioned aspects can lead to unpredictable fluctuations in turnover and, thereby, in profitability. Some of the Group's business consists of fixed-price deliveries. Fixed-price client deliveries carry risks related to timing and content. The company endeavours to manage these risks through contractual and project management measures.

Irrespective of the market situation, there is a shortage of certain experts in the Group's business sector. Although the aggressive recruitment policies that occasionally arise in the Group's business sector have decreased, there is still a risk of personnel moving to competitors. There are no guarantees that the company will be able to retain its current personnel and recruit new employees to sustain growth. If Digitalist Group loses a significant number of its current personnel, it would be more difficult to complete existing projects and acquire new ones. This could have an adverse impact on Digitalist Group's business, earnings and financial position.

The cost inflation has decreased but can still exert pressure to raise salaries, so the importance of cost monitoring is emphasised further. Variation in interest rates do not have a significant direct impact on financing costs because most of the company's debts have fixed interest rates. If the interest rates on the company's loans from financial institutions rose by 1 per cent, the company's annual interest costs would rise by approximately EUR 0.1 million.

Part of the Group's turnover is invoiced in currencies other than the euro – mainly in the Swedish krona. The risk associated with changes in exchange rates can be managed in various ways, including net positioning and currency hedging contracts. In 2024 and 2023, the Group had no hedging contracts.

The Group's balance sheet contains goodwill that is subject to impairment risk in the event that the Group's future yield expectations decrease due to internal or external factors. The goodwill is tested for impairment every six months and whenever the need arises.

General economic uncertainty and low growth forecasts in the company's key markets affected the Group's business during the financial period, but the future impact is difficult to estimate. Geopolitical uncertainty may



affect the business activities of some of the Group's clients, thereby indirectly affecting the Group's business. The Group has no business activities in Russia or Ukraine.

LONG-TERM GOALS AND STRATEGY

Digitalist Group aims to achieve a profit margin of at least 10% over the long term. In order to achieve its long-term goals, Digitalist Group strives for profitable, international growth by shaping new forms of thinking, services and technological solutions for a variety of sectors. These sectors include, among others, the technology industry, energy industry, transport and logistics, as well as consumer services in both the public and private sectors. Digitalist Group's strategy focuses on enhancing its service and solution business and seamlessly integrating user and operational research, branding, design and technology.

NEXT REVIEW

The next interim report, for January–September 2024, will be published on Friday 25 October 2024.

DIGITALIST GROUP PLC

Board of Directors

Further information:

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DIGITALIST GROUP

SUMMARY OF THE HALF-YEAR REPORT AND NOTES, 1 JANUARY – 30 JUNE 2024

CONSOLIDATED INCOME STATEMENT, EUR THOUSAND

	1 Apr - 30 Jun 24	1 Apr - 30 Jun 23	Change (%)	1 Jan - 30 Jun 24	1 Jan - 30 Jun 23	Change (%)
Turnover	4,022	4,314	-7%	7,880	8,907	12%
Other operating income	9	31	-69%	89	63	41%
Operating expenses	-4,759	-5,124	7%	-9,307	-10,307	10%
EBIT	-728	-779	7%	-1,338	-1,337	0%
Financial income and expenses	-783	-348	-125%	-1 173	-569	106%
Profit before taxes	-1,511	-1,127	-34%	-2,511	-1,906	32%
Income taxes	-1	-57	98%	-45	-84	47%
PROFIT/LOSS FOR FINANCIAL PERIOD	-1,512	-1,184	-28%	-2,556	-1,990	28%
Distribution:						
Parent company shareholders	-1,411	-1,204	-17%	-2,392	-2,056	16%
Non-controlling interests	-101	20	-601%	-164	66	347%
Earnings per share:						
Undiluted (EUR)	-0.00	-0.00	0%	-0.00	-0.00	0%
Diluted (EUR)	-0.00	-0.00	0%	-0.00	-0.00	0%

COMPREHENSIVE INCOME STATEMENT, EUR THOUSAND

	1 Apr - 30 Jun 24	1 Apr - 30 Jun 23	Change (%)	1 Jan - 30 Jun 24	1 Jan - 30 Jun 23	Change (%)
Profit/loss for the financial period	-1,512	-1,184	-28%	-2,556	-1,990	28%
Translation difference	9	-530	102%	-486	-528	8%
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-1,503	-1,714	12%	-3,042	-2,518	21%
Parent company shareholders	-1,399	-1,721	19%	-2,866	-2,564	12%
Non-controlling interests	-103	7	-1553%	-175	45	489%

CONSOLIDATED BALANCE SHEET, EUR THOUSAND

ASSETS	30 June 2024	30 June 2023	31 December 2023
<u>NON-CURRENT ASSETS</u>			
Intangible assets	367	306	422
Goodwill	5,298	4,955	5,444
Tangible assets	783	1,141	917
Buildings and structures, rights-of-use	738	1,077	868
Machinery and equipment	32	32	36
Other tangible assets	14	32	29
Investments	2	105	102
Other non-current financial assets	130	23	24

NON-CURRENT ASSETS	6,580	6,526	6,814
<u>CURRENT ASSETS</u>			
Trade and other receivables	3,157	2,971	3,508
Income tax asset	274	226	183
Cash and cash equivalents	308	1,041	0,894
CURRENT ASSETS	3,739	4,237	4,630
ASSETS	10,319	10,763	11,444
SHAREHOLDERS' EQUITY AND LIABILITIES			
<u>SHAREHOLDERS' EQUITY</u>			
<u>Parent company shareholders</u>			
Share capital	585	585	585
Share premium account	219	219	219
Invested non-restricted equity fund	73,917	73,662	73,917
Retained earnings	-107,182	-104,527	-103,343
Profit/loss for the financial period	-2,392	-2,056	-4,042
Non-controlling interests	-188	-28	-53
Parent company shareholders	-35,427	-32,118	-32,665
SHAREHOLDERS' EQUITY	-35,615	-32,146	-32,718
NON-CURRENT LIABILITIES	24,826	20,086	3,749

CURRENT LIABILITIES	21,109	22,823	40,413
SHAREHOLDERS' EQUITY AND LIABILITIES	10,319	10,763	11,444

CALCULATION OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY, EUR THOUSAND

A: Share capital

B: Share premium account

C: Invested unrestricted equity fund

D: Translation difference

E: Retained earnings

F: Total shareholders' equity attributable to the parent company's

G: Total shareholders' equity

	A	B	C	D	E	F	G	H
Shareholders' equity 1 Jan 2023	585	219	73,663	1,198	104,545	31,277	503	-30,774
Other changes				229	229	0		0
Profit/loss for the financial period					2,056	2,056	66	-1,990
Translation difference				508		508	-21	-528
Total comprehensive income for the financial period						2,564		-2,518
Transactions with owners								
Share-based remuneration					98	98		98
Transactions with non-controlling interests								
Structural changes					1,625	1,625	-475	1,150
Dividends							-102	-102
Shareholders' equity 30 June 2023	585	219	73,663	1,935	104,649	32,119	-28	-32,146

	A	B	C	D	E	F	G	H
Shareholders' equity 1 Jan 2023	585	219	73,663	1,198	104,545	31,277	503	-30,774
Other changes				229	229	0		0,00
Profit/loss for the financial period					4,042	-4,042	-43	-4,085
Translation difference				235		235	-5	230
Total comprehensive income for the financial period						-3,807		-3,855
Transactions with owners								
Paid in capital			254			254		
Share-based remuneration					176	176		176
Transactions with non-controlling interests								
Structural changes					1,989	1,989	394	1,594
Dividends							114	-114
Shareholders' equity 31 December 2023	585	219	73,917	1,192	106,192	32,665	-53	-32,718

	A	B	C	D	E	F	G	H
Shareholders' equity 1 Jan 2024	585	219	73,917	1,192	106,192	32,665	-53	-32,718
Profit/loss for the financial period					2,392	-2,392	164	-2,556
Translation difference				474		-474	-11	-486
Total comprehensive income for the financial period						-2,866		-3,042



Transactions with owners								
Share-based remuneration					27	27		27
Convertible loan					-14	-14		-14
Transactions with non-controlling interests								
Structural changes					92	92	40	132
Shareholders' equity 30 June 2024	585	219	73,917	1,667	108,480	-35,427	-188	-35,615

CONSOLIDATED CASH FLOW STATEMENT, EUR THOUSAND

	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023	1 Jan - 31 Dec 2023
Cash flow from operations			
Earnings before taxes in the period	-2,511	-1,906	-3,969
Adjustments to cash flow from operations:			
Other income and expenses with no payment transactions	26	98	-77
Depreciation, impairment	204	417	834
Unrealised foreign exchange gains and losses	-210	41	-256
Financial income and expenses	1,402	569	2,274
Other adjustments	2	308	-562
Cash flow financing before changes in working capital	-1,088	-474	-1,755
Change in working capital	354	52	-262
Interest received	37	-2	1
Interest paid	-140	-46	-89
Taxes paid	-93	-103	-149
Net cash flow from operations	-929	-574	-2,255
Cash flow from investments			

Proceeds from acquisition of businesses		45	-10
Proceeds from disposal of shares in group companies			1,114
Investments in tangible and intangible assets	-9	-12	-22
Repayment of loan receivables		1,290	1,290
Interest received from investments		91	91
Taxes paid		-14	-14
Cash flow from investments	-9	1,399	2,448
Net cash flow before financial items	-938	825	193
Cash flow from financing activities			
Transactions with non-controlling interests	26	148	136
Drawdown of long-term loans	750	0	750
Repayment of long-term loans	0	-293	0
Drawdown of short-term loans	213	677	737
Repayment of short-term loans	-24	-500	-502
Interest and other charges	-349	-331	-622
Repayment of lease liabilities	-245	-343	-698
Net cash flow from financing	370	-642	-198
Change in cash and cash equivalents	-567	183	-5
Liquid assets, beginning of period	893	899	899
Impact of changes in exchange rates	-18	-41	0
Liquid assets, end of period	308	1,041	893

Accounting principles

This interim report release has been prepared in accordance with IAS 34 – Interim Financial Reporting. The interim report release complies with the same accounting principles and calculation methods as the annual financial statements. The updates to the IFRS standards that entered into force on 1 January 2024 do not have a significant impact on the figures presented.

The preparation of a financial statement release in accordance with IFRS requires the management to use certain estimates and assumptions that affect the amounts recognised in assets and liabilities when the balance sheet was prepared, as well as the amounts of income and expenses in the period. In addition,



discretion must be used in applying the accounting policies. As the estimates and assumptions are based on outlooks on the balance sheet date, they contain risks and uncertainties. The realised values may deviate from the original assessments and assumptions.

The original release is in Finnish. The English release is a translation of the original.

The figures in the release have been rounded, so the sums of individual figures may deviate from the presented totals. This interim report is unaudited.

Going concern

The Group's profitability has remained negative, and the financial situation has been challenging at times but the Half-Year review has been prepared in accordance with the principle of the business as a going concern. The assumption of continuity is based management assumptions on several factors, including the following:

- The cost-saving programs have improved the Group's profitability in 2023. Operating expenses and personnel expenses have decreased by EUR 0.3 million in comparison with the review period and the cost structure is now lighter.
- Additional cost-saving programs started in 2024 will impact the second half in 2024 and have nearly full effect in 2025.
- The Group is finding new growth areas and reinforcing its market position in Sweden and this is expected to have a positive impact on sales trends.
- Negotiations regarding the arrangements for related party convertible bonds maturing in 2024 were successfully completed in 2024, resulting in the extension of their maturity to the autumn 2026.
- Convertible bonds were partially converted into capital loans to strengthen shareholders' equity in 2024.

When the financial statements were published, the company expected its working capital to be sufficient to cover its requirements over the next 12 months based on the financing support provided by the main owner if needed.

Goodwill impairment testing

Digitalist Group tested its goodwill for impairment on 30 June 2024. The goodwill is allocated to one cash-generating unit. No need to write down goodwill was identified.

The value in use of the tested property exceeded the tested amount by EUR 1.3 million. The amount of goodwill in the balance sheet at the end of the review period is EUR 5.3 million.

The company tests its goodwill based on the utility value of the assets. In the testing conducted on 30 June 2024 in conjunction with the financial statements, the cash flow forecasting period was from 2024 to 2028. During the 2024-2028 forecasting period, average growth in revenue of 14% is expected to be achieved, along with market growth in the Group's business sectors and the spread of digitalisation to an increasing share of

business life. The efficiency measures and strategic recruitment carried out provide a solid basis for growth. EBITDA is projected to rise to 7% in 2026 and 12% by the end of the forecasting period, being 7% on average.

The method involves comparing the tested assets with their cash flow over the selected period, taking into account the discount rate and the growth factor of the cash flows after the forecast period. The discount rate is 11.4% (11.0%). The growth factor used to calculate the cash flows after the forecast period is 2.35%. The weighted average operating profit margin for the forecast period was used to calculate the value of the terminal period. A negative change in individual assumptions used in the calculations can necessitate a goodwill impairment charge. The sensitivity analysis indicates that an impairment charge may be necessary if the average growth in turnover is below 11% in the forecasting period and the fixed cost structure does not change. If the EBITDA falls below 6% in the forecasting period or the WACC surpasses 14%, all else equal, impairment charges may become necessary.

KEY INDICATORS

	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023	1 Jan - 31 Dec 2023
Earnings per share (EUR) diluted	-0,00	-0,00	-0,01
Earnings per share (EUR)	-0,00	-0,00	-0,01
Shareholders' equity per share (EUR)	-0,05	-0,05	-0,05
Cash flow from operations per share (EUR) diluted	-0,00	-0,00	-0,00
Cash flow from operations per share (EUR)	-0,00	-0,00	-0,00
Return on capital employed (%)	-89,7*	-19,4	-27,8
Return on equity (%)	neg.	neg.	neg.
Operating profit/turnover (%)	-17,00	-15,0	-10,2
Gearing as a proportion of shareholders' equity (%)	-101,9	-106,1	-106,5
Equity ratio as a proportion of shareholders' equity (%)	-345,1	-298,7	-285,9
EBITDA (EUR thousand)	-1,134	-920	-861

*based on H1 2024 actuals

MATURITY OF FINANCIAL LIABILITIES AND INTEREST ON LOANS

2023-06-30	Balance sheet value	Cash flow	Under 1 year	1-5 years	Over 5 years
Loans from financial institutions	2,871	2,995	294	2,702	0
Credit limits	8,477	8,477	8,477	0	0
Convertible bonds	5,768	6,850	6,850	0	0
Related-party capital loans	16,826	19,202	0	19,202	0
Other related-party loans	0	0	0	0	0
Lease liabilities IFRS 16	1,204	1,239	657	582	0
Accounts payable	1,034	1,034	1,034	0	0

2024-06-30	Balance sheet value	Cash flow	Under 1 year	1-5 years	Over 5 years
Loans from financial institutions	3,028	3,141	2,500	640	0
Credit limits	8,331	8,331	8,331	0	0
Convertible bonds	3,861	4,726	0	4,726	0
Related-party capital loans	19,146	24,098	0	24,098	0
Other related-party loans	1,500	1,728	0	1,728	0
Lease liabilities IFRS 16	741	748	356	392	0
Accounts payable	1,030	1,030	1,030	0	0

OTHER INFORMATION

	1 Jan - 30 Jun 2024	1 Jan - 30 Jun 2023	1 Jan - 31 Dec 2023
NUMBER OF EMPLOYEES, average	125	138	137
Personnel at the end of the period	127	136	124
LIABILITIES, EUR THOUSAND			
Pledges made for own obligations			
Corporate mortgages	13,300	13,300	13,300
Total interest-bearing liabilities			
Long-term loans from financial institutions	631	2,637	2,659
Other long-term liabilities	24,893	17,392	1,008
Short-term interest-bearing liabilities	11,083	15,117	32,080
Total	36,606	35,146	35,747

CALCULATION OF KEY FINANCIAL FIGURES

EBITDA = earnings before interest, tax, depreciation and amortisation

Diluted earnings per share = Profit for the financial period / Average number of shares, adjusted for share issues and for the effect of dilution

Earnings per share = Profit for the financial period / Average number of shares adjusted for share issues

Shareholders' equity per share = Shareholders' equity / Number of undiluted shares on the balance sheet date

Cash flow from operations per share (EUR) diluted = Net cash flow from operations / Average number of shares, adjusted for share issues and for the effect of dilution

Return on investment (ROI) =

(Profit before taxes + Interest expenses + Other financial expenses) /
(Balance sheet total - non-interest-bearing liabilities (average)) x 100

Return on equity (ROE) = Net profit / Total shareholders' equity (average) x 100

Gearing = interest-bearing liabilities - liquid assets / total shareholders' equity x 100