

**DIGITALIST GROUP'S FINANCIAL STATEMENT RELEASE, 1 JANUARY–31 DECEMBER 2024  
(Not audited)****DIGITALIST 2024****SUMMARY****October–December 2024 (comparable figures for 2023 in parentheses):**

- Turnover: EUR 4.7 million (EUR 4.2 million), change 12.9%.
- EBITDA: EUR -0.2 million (EUR -0.4 million\*), -4.3% of turnover (-9.1%).
- EBIT: EUR -0.3 million (EUR -0.6 million\*), -7.1% of turnover (-14.4%).
- Net income: EUR -1.0 million (EUR -1.6 million\*), -21.3% of turnover (-38.9%).
- Earnings per share EUR -0.00 (EUR -0.00).

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

- Turnover: EUR 16.2 million (EUR 16.7 million), change -3.1%.
- EBITDA: EUR -1.5 million (EUR -0.9 million\*\*), -9.4% of turnover (-5.2%).
- EBIT: EUR -2.0 million (EUR -1.7 million\*\*), -12.3% of turnover (-10.2%).
- Net income: EUR -5.0 million (EUR -4.1 million\*\*), -31.0% of turnover (-24.5%).
- Earnings per share: EUR -0.01 (EUR -0.01).
- Earnings per share (diluted): EUR -0.01 (EUR -0.01).
- Cash flow from operations EUR -1.4 million (EUR -2.9 million).
- Number of employees at the end of the review period: 122 (126), decrease of 3.2%.

\*) EBIT, EBITDA, and net income for the comparison period were affected by a recorded gain of EUR 0.3 million, resulting from the write-down of Turret accounts payable and an additional purchase price related to the Ticknovate divestment.

\*\*) EBIT, EBITDA, and net income for the period were affected by a one-time gain of EUR 1.0 million, which includes a recorded gain of EUR 0.6 million from the FutureLab Share transaction, EUR 0.3 million from the write-down of Turret accounts payable and an additional purchase price adjustment related to the Ticknovate divestment.

**CEO's review**

As we close the year 2024, Digitalist Group stands at the intersection of ongoing market challenges and promising opportunities. While the Finnish economy remained weak, causing clients to hesitate in initiating new projects, we observed steady growth in Sweden. We are committed to coping with the challenges in the Finnish market, but we have increased focus on exploiting opportunities in the Swedish market and have expanded our offering with new applied AI services.

Despite the turnover growth in the last quarter, the Group's turnover in 2024 slightly declined to EUR 16.2 million (from EUR 16.7 million in 2023) and EBITDA ended at EUR -1.5 million (EUR -0.9 million in 2023 including a one-time gain of EUR 1.0 million). This outcome mirrors both the current market conditions and the positive but not sufficient impact of the strategic measures we implemented throughout the year.

A key driver of our performance has been the Swedish market, where demand remained robust enough to offset weaker activity in Finland. In 2024 Sweden contributed around 70% of our total turnover, up from 61% in the same period last year. We also intensified our cost-saving efforts, reducing personnel costs and streamlining our organizational structure to create a stronger foundation for future improvements.

This year, we enhanced our service portfolio through the full launch of Digitalist Open Cloud AB and the introduction of Digitalist Private AI Hub, offering secure and GDPR-compliant AI capabilities. These new



solutions cater to the rising demand for data privacy and advanced digital services, attracting clients who recognize the value of our approach.

Looking ahead, we remain focused on driving operational efficiency, sharpening our service offerings, and capitalizing on growth opportunities. Although the market may remain challenging in the near term, our product innovation and constant focus on cost management, positions Digitalist Group for long-term success.

I extend my sincere gratitude to our employees for their commitment and to our clients for their trust. Together, we have navigated a demanding year, and together we will seize the opportunities that lie ahead.

**Magnus Leijonborg**  
CEO, Digitalist Group

### **Future prospects**

In 2025, it is expected that turnover and EBITDA will improve in comparison with 2024.

### **SEGMENT REPORTING**

Digitalist Group reports its business in a single segment.

#### **TURNOVER**

In the fourth quarter, the Group's turnover was EUR 4.7 million (EUR 4.2 million), reflecting a 12.9% increase compared to the previous year. The increase was due to the strengthening of the Swedish business.

The Group's turnover for the period totalled EUR 16.2 million (EUR 16.7 million), which is 3.1% lower than the previous year, as a result of the weak market situation in Finland. The turnover for the whole year fell short of the targets, as the economic slowdown and uncertainty have made customers more cautious when starting new projects.

Market conditions in Finland have been challenging. The share of turnover outside Finland rose to 70 percent (61 %), and the increase was mainly due to the strengthening of the Swedish business. The net impact on turnover from the divestment of FutureLab and the acquisition of Open Communications for the review period is EUR 0.1 million compared to the comparison period.

#### **RESULT**

In the fourth quarter, EBITDA was EUR -0.2 million (EUR -0.4 million), EBIT was EUR -0.3 million (EUR -0.6 million) and profit before taxes was EUR -0.9 million (EUR -1.6 million). EBITDA was positively affected by improved sales and a EUR 0.3 million reduction in personnel and operating expenses. Net income for the final quarter amounted to EUR -1.0 million (EUR -1.6 million), earnings per share were EUR -0.00 (EUR -0.00).

EBITDA for the financial period amounted to EUR -1.5 million (EUR -0.9 million), EBIT was EUR -2.0 million (EUR -1.7 million) and profit before taxes was EUR -4.9 million (EUR -4.0 million). Expenses were EUR 0.7 million lower compared to the previous year, of which operating expenses were EUR 0.3 million lower and personnel expenses EUR 0.4 million lower. Cost savings improved EBITDA, but the decline in sales weakened the overall impact.

The EBIT was influenced by the decrease of depreciations of balance sheet items by EUR 0.4 million. EBIT, EBITDA and net income of the comparison period were impacted by a booked gain of EUR 0.6 million from the FutureLab Share transaction and EUR 0.3 million is attributed to the write-down of Turret accounts payable and an additional purchase price related to the Ticknovate divestment.

Net financial items amounted to EUR -3.0 million (EUR -2.3 million), mainly comprising external interest expenses related to loans from financial institutions and related parties. External interest expenses were EUR -2.2 million (EUR -2.1 million). Financial items in the comparison period were positively impacted by Business Finland's non-collection decision on a EUR 0.3 million part of the product development loan and unrealized exchange gains. Net income for the financial period amounted to EUR -5.0 million (EUR -4.1 million), earnings per share totalled EUR -0.01 (EUR -0.01).

## RETURN ON EQUITY

The Group's shareholders' equity amounted to EUR -37.7 million (EUR -32.7 million). The Group's equity considering the capital loans was EUR -13.8 million (EUR -15.8 million). Return on equity (ROE) was negative. Return on investment (ROI) was -161.9% (-27.8%).

## BALANCE SHEET AND FINANCING

The balance sheet total was EUR 10.1 million (EUR 11.4 million). The solvency ratio was -379.1% (-285.9%).

At the end of the period, the Group's liquid assets totalled EUR 0.9 million (EUR 0.9 million).

At the end of the financial period the Group's interest-bearing liabilities amounted to EUR 38.2 million (EUR 35.7 million). The Group's balance sheet recognised EUR 11.0 million (EUR 11.4 million) in loans from financial institutions, including the overdrafts in use. IFRS 16 leasing debts were EUR 0.6 million (EUR 1.0 million).

In addition, the company has loans from its main owners. The loans from related parties amount to EUR 26.6 million (EUR 23.4 million). EUR 23.9 million (EUR 16.9 million) related party loans were capital loans, EUR 0 million (EUR 5.8 million) were convertible bonds, EUR 2.8 million (EUR 0.8 million) were other related party loans, of which EUR 2.0 million were short term. The changes result from the conversion of convertible bonds into capital loans in accordance with Chapter 12 of the Limited Liability Companies Act and from the new loan installments from Turret. More information about the arrangements can be found in the section of the review: Related party transactions.

## CASH FLOW

The Group's cash flow from operating activities during the review period was EUR -1.4 million (EUR -2.9 million), a change of EUR 1.5 million. The development of the company's liquid assets was influenced by improved working capital. In order to reduce the rate of turnover of trade receivables, the Group sells part of its trade receivables from Finnish customers. In addition, some Swedish trade receivables are financed through factoring arrangements.

## GOODWILL

On 31 December 2024, the Group's balance sheet included goodwill of EUR 5.2 million (EUR 5.4 million). The company tested goodwill in accordance with IAS 36 on 31 December 2024 and no need for an impairment charge was detected.

## PERSONNEL

During the financial period, the Group had an average of 123 employees (139). At the end of the financial period, the total number of employees was 122 (126), with 52 (52) working for the Group's Finnish companies and 70 (74) employed by its foreign subsidiaries.

## SHARES AND SHARE CAPITAL

### Share turnover and price

During the financial period, the company's share price hit a high of EUR 0.02 (EUR 0.03) and a low of EUR 0.01 (EUR 0.01), and the closing price on 31 December 2024 was EUR 0.01 (EUR 0.02). The average price in the

financial period was EUR 0.01 (EUR 0.02). During the financial period 78,321,067 (40,711,793) shares were traded, corresponding to 11.3% (6.0%) of the number of shares in circulation at the end of the period. The Group's market capitalisation at the closing share price on 31 December 2024 was EUR 9,985,399 (EUR 10,236,341).

### 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 corresponding to 1.1% of the total shares.

### Option plan 2019 and 2021

The option plan 2019 has expired.

The option rights belonging to the company's option program 2021 are marked as series 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. The last exercise date for the series 2021A1 was 31.12.2024. 28,650,000 of the distributed options have expired, so based on the terms of the option program, it is possible to subscribe for a maximum of 9,800,000 new shares of the Company.

The theoretical market value of the options allocated by the end of the financial 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://investor.digitalistgroup.com/investor>

### Shareholders

The number of shareholders on 31 December 2023 was 5,705 (5,578). Private individuals owned 11.8% (10.4%) of the shares, and institutions held 78.4% (79.5%). Foreign nationals or entities held 9.8% (10.0%) of the shares. Nominee-registered shares accounted for 12.6% (6.3%) of the total.

## AUTHORIZATIONS OF THE BOARD OF DIRECTORS

### 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://investor.digitalistgroup.com/investor/governance/annual-general-meeting>

The financial statements and consolidated financial statements for the financial year ended December 31, 2023, were approved as presented.

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 the financial statement release 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 in 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://investor.digitalistgroup.com/investor/releases>

## **CHANGES IN THE GROUP STRUCTURE**

Digitalist Open Tech AB sold part of its IT and SaaS 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 the subsidiary management.

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.

In addition, Digitalist Group has closed non-operative companies. Digitalist USA Ltd was formally dissolved in 2024. Grow Finland Oy and Ixonos Estonia have been removed from the trade register in 2024.

## **EVENTS SINCE THE FINANCIAL PERIOD**

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

## **RELATED-PARTY 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.

### **Digitalist Group structures its financing**

Digitalist Group Plc's agreed 28.10.2024 with Turret Oy Ab on a loan amounting to EUR 1,000,000 in order to strengthen the Company's working capital. The Company has the right to withdraw the Loan in instalments by 31 December 2025 at the latest. The Loan was granted on market terms and it will fall due on 31 December 2026.

### **Strengthening Digitalist Group Plc's balance sheet position and conversion of convertible bonds 2021/1, 2021/2, 2021/3 and 2021/4 into capital loans**

Digitalist Group Plc decided 30.12.2024, in order to strengthen the Company's balance sheet position, to utilize the right offered by Turret Oy Ab and Holdix Oy Ab to convert a total of 3,860,763.40 + interest 861,271.93 euros of the principal and interest of the convertible bonds 2012/1, 2021/2, 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.

### **OTHER EVENTS DURING THE FINANCIAL PERIOD**

Digitalist Group decreased its earlier guidance regarding future prospects 17.10.2024. The new guidance was: In 2024, turnover and EBITDA are expected to decrease in comparison with 2023.

Operationally, not including the impact of other operating income (EUR 1.0 million), the current financial year was expected to be stronger than the previous year.

The stock exchange releases for the review period are on the company's website at <https://investor.digitalistgroup.com/investor/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://investor.digitalistgroup.com/investor>

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.

During 2024, negotiations regarding the restructuring of maturing convertible bonds held by related parties were concluded, and the maturity date was extended until autumn 2026. The convertible bonds were converted into capital loans in two tranches in accordance with Chapter 12 of the Limited Liability Companies Act in 2024, strengthening the company's balance sheet.

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. The Group's business consists of some fixed-price deliveries (65%). 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 significantly, 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 enable 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 significantly 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.

### **PROPOSAL BY THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING**

The Board of Directors of Digitalist Group Plc proposes to the Annual General Meeting that the distributable funds be retained in shareholders' equity and that no dividend be distributed to shareholders for the 2024 financial period. On 31 December 2024, the parent company's distributable assets were negative.

Digitalist Group Plc's Annual General Meeting will be held on 29 April 2025.

Digitalist Group's Financial Statements 2024 will be published and posted on the company's website on 28 March 2025. Digitalist Group Plc's Financial Statements will be published in Finnish and English and they are available on the Group's website <https://investor.digitalistgroup.com/investor> immediately after publication.

### **NEXT REVIEW**

The Business review for January–March 2025 will be published on Friday 25 April 2025.

DIGITALIST GROUP PLC

Board of Directors

Further information:

Digitalist Group Plc

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### **Distribution:**

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**DIGITALIST GROUP**
**SUMMARY OF THE FINANCIAL STATEMENTS AND NOTES, 1 JANUARY–31 DECEMBER 2024**
**CONSOLIDATED INCOME STATEMENT, EUR THOUSAND**

	1 Oct - 31 Dec 24	1 Oct - 31 Dec 23	Change (%)	1 Jan - 31 Dec 24	1 Jan - 31 Dec 23	Change (%)
Turnover	4,698.85	4,160.22	12,9 %	16,164.54	16,680.74	-3,1 %
Other operating income	-41.02	280.21	-114,6 %	50.00	1,006.67	-95,0 %
Materials and services	-932.52	-639.82	-45,7 %	-3,102.99	-3,202.01	3,1 %
Expenses from employee benefits	-3,251.70	-3,331.27	2,4 %	-11,874.22	-12,269.02	3,2 %
Depreciation and impairment	-132.28	-218.14	39,4 %	-469.53	-834.41	43,7 %
Other operating expenses	-673.33	-848.57	20,7 %	-2,750.27	-3,077.67	10,6 %
Total expenses	-4,989.83	-5,037.80	1,0 %	-18,197.01	-19,383.11	6,1 %
EBIT	-331.99	-597.37	44,4 %	-1,982.47	-1,695.70	-16,9 %
Financial income	78.27	4.17	1779,2 %	155.41	752.50	-79,3 %
Financial expenses	-695.08	-1,021.72	32,0 %	-3,103.37	-3,026.21	-2,5 %
Total financial income and expenses	-616.81	-1,017.55	39,4 %	-2,947.96	-2,273.71	-29,7 %
Profit before taxes	-948.80	-1,614.92	41,2 %	-4,930.43	-3,969.41	-24,2 %
Income taxes	-50.82	-3.87	-1214,3 %	-87.04	-115.46	24,6 %
PROFIT/LOSS FOR FINANCIAL PERIOD	-999.62	-1,618.78	38,2 %	-5,017.47	-4,084.87	-22,8 %
Distribution:						
Parent company shareholders	-875.12	-1,557.64	43,8 %	-4,707.38	-4,042.14	-16,5 %
Non-controlling interests	-124.50	-61.15	-103,6 %	-310.09	-42.73	-625,8 %
Earnings per share:						
Undiluted (EUR)	0.00	0.00		-0.01	-0.01	
Diluted (EUR)	0.00	0.00		-0.01	-0.01	

**COMPREHENSIVE INCOME STATEMENT, EUR THOUSAND**

	1 Oct - 31 Dec 24	1 Oct - 31 Dec 23	Change (%)	1 Jan - 31 Dec 24	1 Jan - 31 Dec 23	Change (%)
Profit/loss for the financial period	-999.62	-1,618.78	38,2 %	-5,017.47	-4,084.87	-22,8 %
Other items of comprehensive income						
Translation difference	-140.67	663.20	-121,2 %	-67.99	229.71	-129,6 %
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-1,140.29	-955.58	-19,3 %	-5,085.47	-3,855.45	-31,9 %
Parent company shareholders	-1,006.68	-869.23	-15,8 %	-4,759.00	-3,807.09	-25,0 %
Non-controlling interests	-133.61	-86.35	-54,7 %	-327.00	-48.06	-580,4 %

**CONSOLIDATED BALANCE SHEET, EUR THOUSAND**

<b>ASSETS</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>	<b>313.78</b>	<b>422.06</b>
<b>Goodwill</b>	<b>5,244.98</b>	<b>5,444.44</b>
<b>Tangible assets</b>	<b>569.43</b>	<b>916.99</b>
Buildings and structures, rights-of-use	528.59	867.73
Machinery and equipment	27.55	34.52
Other tangible assets	13.29	14.74
<b>Investments</b>	<b>6.23</b>	<b>6.28</b>
<b>Other non-current financial assets</b>	<b>88.02</b>	<b>24.35</b>
<b>NON-CURRENT ASSETS</b>	<b>6,222.44</b>	<b>6,814.12</b>
<b>CURRENT ASSETS</b>		
Trade and other receivables	2,612.34	3,508.10
Income tax asset	320.88	228.46
Cash and cash equivalents	943.53	893.65
<b>CURRENT ASSETS</b>	<b>3,876.75</b>	<b>4,630.21</b>
<b>ASSETS</b>	<b>10,099.19</b>	<b>11,444.12</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
<b>Parent company shareholders</b>		
Share capital	585.39	585.39
Share premium account	218.73	218.73
Invested non-restricted equity fund	73,916.78	73,916.78
Retained earnings	-107,368.76	-103,343.29
Profit/loss for the financial period	-4,707.38	-4,042.14
Non-controlling interests	-311.28	-53.08
Parent company shareholders	-37,355.24	-32,664.53
<b>SHAREHOLDERS' EQUITY</b>	<b>-37,666.53</b>	<b>-32,717.43</b>
<b>NON-CURRENT LIABILITIES</b>	<b>25,438.08</b>	<b>3,748.88</b>
<b>CURRENT LIABILITIES</b>	<b>22,327.73</b>	<b>40,412.84</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>10,099.29</b>	<b>11,444.28</b>

**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: Non-controlling interests  
H: Total shareholders' equity

	A	B	C	D	E	F	G	H
Shareholders' equity 1 Jan 2023	585.39	218.73	73,662.55	-1,197.92	-104,545.23	-31,276.47	503.13	-30,773.34
<b>Other changes</b>								
Profit/loss for the financial period					-4,042.14	-4,042.14	-42.73	-4,084.87
Purchase of own shares				235.05		235.05	-5.33	229.72
<b>Other items of comprehensive income</b>						<b>-3,807.09</b>		
Paid in capital			253.98			253.98		253.98
Translation difference					176.44	176.44		176.44
Share-based remuneration					0.00	0.00		0.00
Transactions with non-controlling interests							-508.15	1,480.52
<b>Shareholders' equity 31 December 2023</b>	<b>585.00</b>	<b>219.00</b>	<b>73,916.78</b>	<b>-1,192.36</b>	<b>-106,192.89</b>	<b>-32,664.35</b>	<b>-53.08</b>	<b>-32,717.43</b>
	A	B	C	D	E	F	G	H
Shareholders' equity 1 Jan 2024	585.00	219.00	73,916.78	-1,192.36	-106,192.89	-32,664.35	-53.08	-32,717.43
<b>Other changes</b>				0.00	0.00			
Profit/loss for the financial period					-4,707.38	-4,707.38	-310.09	-5,017.47
Purchase of own shares				-51.33		-51.33	-16.66	-67.99
<b>Other items of comprehensive income</b>						<b>-4,758.71</b>		
Translation difference					54.23	54.23		54.23
Share-based remuneration					-14.40	-14.40		-14.40
Sale of subsidiary					13.81	13.81		13.81
Transactions with non-controlling interests					14.18	14.18	68.55	82.73
<b>Shareholders' equity 31 December 2024</b>	<b>585.00</b>	<b>219.00</b>	<b>73,916.78</b>	<b>-1,243.69</b>	<b>-110,832.45</b>	<b>-37,355.23</b>	<b>-311.29</b>	<b>-37,666.52</b>


**CONSOLIDATED CASH FLOW STATEMENT, EUR THOUSAND**

	1 Jan -31 Dec24	1 Jan -31 Dec23	1 Jul -31 Dec24	1 Jul -31 Dec23
<b>Cash flow from operations</b>				
Earnings before taxes in the period	-5,017.47	-4,084.87	-2,461.65	-2,094.96
Adjustments to cash flow from operations:				
Other income and expenses with no payment	-235.55	-76.63	-261.44	-174.25
Depreciation, impairment	469.53	834.41	265.81	417.90
Income taxes	87.04	115.46	42.16	31.37
Unrealised foreign exchange gains and losses	-85.26	-255.59	124.47	-296.11
Financial income and expenses	3,057.58	2,273.71	1,655.67	1,704.54
Other adjustments	4.81	-561.90	3.25	-576.30
<b>Cash flow financing before changes in working capital</b>	<b>-1,719.32</b>	<b>-1,755.41</b>	<b>-631.73</b>	<b>-987.82</b>
Change in working capital	1,290.45	-262.04	936.75	-313.93
Interest received	47.37	0.72	10.04	3.07
Interest paid	-883.89	-710.82	-395.39	-333.90
Taxes paid	-133.04	-149.35	-40.34	-46.81
<b>Net cash flow from operations</b>	<b>-1,398.42</b>	<b>-2,876.89</b>	<b>-120.68</b>	<b>-1,679.39</b>
<b>Cash flow from investments</b>				
Acquisition of shares in group companies	0.00		0.00	
Proceeds from disposal of shares in group companies	0.00		0.00	
Investments in tangible and intangible assets	-15.42	-22.33	-6.49	-9.95
Proceeds from repayment of loans	0.00			
Interest received on investments	0.00			
Taxes paid on investments	0.00			
<b>Cash flow from investments</b>	<b>-15.42</b>	<b>2,447.66</b>	<b>-6.49</b>	<b>1,049.09</b>
<b>Net cash flow before financial items</b>	<b>-1,413.84</b>	<b>-429.23</b>	<b>-127.18</b>	<b>-630.30</b>
<b>Cash flow from financing activities</b>				
Transactions with non-controlling interests	19.53	136.18	-6.25	-12.17
Drawdown of long-term loans	2,025.00	750.00	1,275.00	750.00
Drawdown of short-term loans	0.00	736.90	-212.58	
Repayment of short-term loans	-129.07		-105.31	-1.81
Repayment of lease liabilities	-429.40	-697.51	-184.02	-354.56
<b>Net cash flow from financing</b>	<b>1,486.06</b>	<b>423.76</b>	<b>766.83</b>	<b>441.83</b>
Change in cash and cash equivalents	72.22	-5.46	639.66	-188.47
Liquid assets, beginning of period	893.44	898.55	308.06	1,041.04
Impact of changes in exchange rates	-22.14	0.36	-4.20	40.88
Liquid assets, end of period	943.53	893.44	943.53	893.44



### **Accounting principles**

This 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.

### **Going concern**

The Group's result has remained negative, and the financial situation has been challenging at times but the financial statement release 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 and 2024. Operating expenses and personnel expenses have decreased by EUR 0.7 million in comparison with the review period and the cost structure is now lighter.
- Additional cost-saving programs started in 2024 will have nearly full effect in 2025.
- The Group is finding new growth areas and reinforcing its market position in Sweden, which 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.

EUR 2.0 million of the Group's financial institution loans are set to begin repayment on April 30, 2025. As of the publication date of the financial statement release, negotiations to extend the loan's maturity date are still ongoing. However, management is confident that the outcome will be favorable for the company.

At the time of the financial statement release, the company expects 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. Negotiations with the main owner to secure financing for the next 12 months are ongoing and are expected to be completed before the publication of the financial statements and based on this the financial statement release has been prepared in accordance with the going concern principle.

### **Goodwill impairment testing and recognised impairment**

Digitalist Group tested its goodwill for impairment on 30 June 2024 and 31 December 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 9.0 million. The tested amount of goodwill in the balance sheet at the end of the review period is EUR 4.9 million.

The company tests its goodwill based on the utility value of the assets. In the testing conducted on 31 December 2024 in conjunction with the financial statements, the cash flow forecasting period was from 2025 to 2029. During the forecast period, average growth in revenue of 15% is expected to be achieved which is supported by the market growth of the group's industries and the increasingly extensive impact of digitalization in business life. In addition, the rapid development of artificial intelligence (AI) and its integration into service offerings will accelerate growth by offering more efficient and innovative solutions to customers. The efficiency

measures and strategic recruitment carried out provide a solid basis for growth. EBITDA is projected to rise to 7% in 2026 and to 12% by the end of the forecasting period, being 9% 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% (11.4%). The growth factor used to calculate the cash flows after the forecast period is 2.35%.

The average EBITDA margin for the forecast period was used to calculate the value of the terminal period. A significant 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 14% 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 28%, all else equal, impairment charges may become necessary.

### CONSOLIDATED INCOME STATEMENT BY QUARTER, EUR THOUSAND

	Q4/2024 1.10.-31.12.24	Q3/2024 1.7.-30.9.24	Q2/2024 1.4.-30.6.24	Q1/2024 1.1.-31.3.24	Q4/2023 1.10.-31.12.21
Turnover	4,698.85	3,585.61	4,021.60	3,858.48	4,160.22
Other operating income and expenses	-5,031.05	-3,898.35	-4,749.35	-4,468.49	-4,757.59
EBIT	-331.99	-312.54	-727.84	-610.10	-597.37
Financial income and expenses	-616.81	-1,158.14	-783.20	-389.80	-1,017.55
Profit before taxes	-948.80	-1,470.68	-1,511.03	-999.91	-1,614.92
Income taxes	-50.64	8.66	-1.20	-43.68	-3.87
PROFIT/LOSS FOR COMPARISON PERIOD	-999.62	-1,462.03	-1,512.24	-1,043.59	-1,618.78

### CHANGES IN INTANGIBLE AND TANGIBLE ASSETS, EUR THOUSAND

	Goodwill	Intangible assets	Tangible fixed assets	Right-of-use assets	Other investments	Total
Carrying value 1 Jan 2023	4,677.98	109.82	65.08	1,135.06	101.76	6,090.22
Increases		462.69	26.56	416.91	4.70	2,059.07
Decreases						
Changes in exchange rates	43.80	6.30	-0.40	-5.85		43.85
Depreciation for the review period		-156.59	-37.63	-640.18		-834.47
Carrying value 31 Dec 2023	5,444.44	422.53	48.47	867.05	6.27	6,789.76

	Goodwill	Intangible assets	Tangible fixed assets	Right-of-use assets	Other investments	Total
Carrying value 1 Jan 2024	5,444.44	422.53	48.47	867.05	6.27	6,789.76
Increases	0.00	0.42	15.97	482.60	0.00	498.99
Decreases	0.00		0.00	-462.23	0.00	-462.23
Changes in exchange rates	-199.68	-22.70	-1.35	-12.90		-236.64
Depreciation for the review period		-85.57	-22.18	-344.61		-452.36
Carrying value 31 Dec 2024	5,244.75	314.67	40.91	529.90	6.27	6,137.51

**KEY INDICATORS**

	<b>1 Jan - 31 Dec 2024</b>	<b>1 Jan - 31 Dec 2023</b>
Earnings per share (EUR) diluted	-0.01	0.00
Earnings per share (EUR)	-0.01	-0.01
Shareholders' equity per share (EUR)	-0.05	-0.05
Cash flow from operations per share (EUR) diluted	0.00	0.00
Cash flow from operations per share (EUR)	0.00	0.00
Return on capital employed (%)	-161.86	-27.8
Return on equity (%)	neg.	neg.
Operating profit/turnover (%)	-12.27	-10.2
Gearing as a proportion of shareholders' equity (%)	-99.00	-106.5
Equity ratio as a proportion of shareholders' equity (%)	-379.11	-285.9
EBITDA (EUR thousand)	-1,512.94	-861.30

**MATURITY OF FINANCIAL LIABILITIES AND INTEREST ON LOANS**

<b>31 December 2023</b>	<b>Balance sheet value</b>	<b>Cash flow</b>	<b>Under 1 year</b>	<b>1-5 years</b>	<b>Over 5 years</b>
Loans from financial institutions	2,865.85	3,067.25	340.83	2,726.43	
Credit limits	8,525.07	8,525.07	8,525.07		
Convertible bonds	5,767.94	6,849.62		0.00	
Capital loans	16,865.42	19,265.00		0.00	
Other related-party loans	750.00	876.00	0.00		
Lease liabilities IFRS 16	973.00	961.00	701.00	260.00	
Accounts payable	864.66	864.66	864.66		

<b>31 December 2024</b>	<b>Balance sheet value</b>	<b>Cash flow</b>	<b>Under 1 year</b>	<b>1-5 years</b>	<b>Over 5 years</b>
Loans from financial institutions	2,783.19	2,828.47	2,362.78	465.69	
Credit limits	8,258.19	8,258.19	8,258.19		
Capital loans	23,867.82	29,233.30		29,233.30	
Other related-party loans	2,775.00	3,191.33		907.67	
Lease liabilities IFRS 16	555.71	562.27	298.30	264.32	
Accounts payable	1,124.07	1,124.07	1,124.07	0.00	

Credit limits are valid until further notice.



**OTHER INFORMATION**

	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
NUMBER OF EMPLOYEES, average	123	139
Personnel at the end of the period	122	126
LIABILITIES, EUR THOUSAND		
Pledges made for own obligations		
Corporate mortgages	13,300.00	13,300.00
Total interest-bearing liabilities		
Long-term loans from financial institutions	458.98	2,659.11
Other long-term liabilities	24,902.02	1,007.67
Short-term loans from financial institutions	2,221.92	414.39
Other short-term interest-bearing liabilities	10,657.00	31,665.62
Total	38,239.92	35,746.80

**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 income / Total shareholders' equity (average) x 100

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