



Digitalist Group Plc's Business Review, 1 January – 31 March 2024

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

- Turnover: EUR 3.9 million (EUR 4.6 million), decrease of 16.0%.
- EBITDA: EUR -0.4 million (EUR -0.3 million), -10.4% of turnover (-7.2%).
- EBIT: EUR -0.6 million (EUR -0.6 million), -15.8% of turnover (-12.1%).
- Net income: EUR -1.0 million (EUR -0.9 million), -25.4% of turnover (-18.6%).
- Earnings per share (diluted and undiluted): EUR -0.00 (EUR -0.00).
- Number of employees at the end of the review period: 125 (143), reduction of 13%.

CEO's review

The first quarter of 2024 has presented its challenges, as all of our business areas felt the impact of sluggish markets in Sweden and Finland. Both turnover (EUR 3.9 million) and EBITDA (-0.4 million) have declined compared to the same period last year, with January being particularly weak. Despite these results, we maintain our confidence in the guidance we have provided to the market regarding future prospects.

We've taken strategic steps this quarter to restructure our financing. We have strengthened the group's equity by converting convertible bonds partly into capital loans, and are in the process of rearranging the short-term convertible bonds to support our balance sheet and solvency. More details on this are available below.

The challenging market conditions have not hindered our sales efforts. From this quarter, we are pleased to announce new partnerships and new projects with VR (Finnish Railroads), Posti and Pixieray in Finland, and with Barilla and Stockholm Skavsta Airport in Sweden.

Our Open Cloud SaaS offerings have transitioned to our new subsidiary, Digitalist Open Cloud AB. We are excited about this move, as it allows us to offer our clients secure, locally hosted open source software solutions like Matomo, Rebel Metrics, and Directus.

While the pace of improvement in our operations has not met our expectations, we are confident that the strategic measures we've implemented, combined with our ongoing restructuring and cost-saving initiatives, will position us well for future success.

I extend my deepest gratitude to all our employees, whose relentless dedication and commitment continue to drive value for our clients.

CEO Magnus Leijonborg

FUTURE PROSPECTS

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



OTHER EVENTS DURING THE FIRST QUARTER

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 ("Turret") and Holdix Oy Ab ("Holdix") 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.

EVENTS SINCE THE REVIEW PERIOD

Proposal for the AGM: Amendment of the terms concerning Convertible Bonds

The Board of Directors proposes that the General Meeting resolve to amend the current terms of Convertible Bonds VVK 2021/1, VVK 2021/3 and VVK 2022/1 subscribed for and paid by Turret Oy Ab (the principal totalling EUR 15,592,150.50) and Convertible Bonds VVK 2021/2 and VVK 2021/4 subscribed for and paid by Holdix Oy Ab (the principal totalling EUR 6,411,103.57), maturing 31 May 2024 and 30 June 2024, so that the maturity date of the payment of the principal of and interest on the Convertible Bonds and the period for exercising the right of conversion are extended and the maximum number of convertible shares converted with Convertible Bonds is increased, taking into account the price level of the Company's share. In addition, due to the amendment of Chapter 10, Section 3(1)(7) of the Limited Liability Companies Act, the terms of the Convertible Bonds would be supplemented with the transfer of domicile, and some technical specifications would be made to the terms. The amendments to the terms of the Convertible Bonds will enter into force if the General Meeting approves the proposals of the Board of Directors and the parties sign the relevant agreements.

The stock exchange releases for the review period and the AGM Notice are on the company's website at www.digitalist.global/investors/releases.

When the business review was published, the company expected its working capital to be sufficient to cover its requirements over the next 12 months.

DIGITALIST GROUP OYJ

Board of Directors

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