



Digitalist Group Plc's Business Review 1 January – 30 September 2020

July – September 2020 (comparable figures for 2019 in parentheses):

- Turnover EUR 4.3 million (EUR 5.8 million), decrease: 26.0%.
- EBITDA EUR -0.8 million (EUR -1.0 million), -18.9% of turnover (-18.3%).
- Operating result EUR -1.5 million (EUR -1.9 million), -34.3% of turnover (-33.1%).
- Net result EUR -2.5 million (EUR -1.8 million), -58.3% of turnover (-31.7%).
- Earnings per share (diluted and undiluted) EUR -0.00 (EUR -0.00).

January – September 2020 (comparable figures for 2019 in parentheses):

- Turnover EUR 15.5 million (EUR 20.7 million), decrease: 24.9%.
- EBITDA EUR -2.3 million (EUR -2.0 million), -14.8% of turnover (-9.8%).
- Operating result*) EUR -8.2 million (EUR -4.6 million), -52.8% of turnover (-22.2%).
- Net result**) EUR -10.5 million (EUR -5.2 million), -66.4% of turnover (-25.1%).
- Earnings per share (diluted and undiluted) EUR -0.02 (EUR -0.01).
- Number of employees at the end of the review period: 187 (255), decrease of 26.7%.

*) Operating result and net result for the review period was impacted by a write-down of the company's goodwill EUR -3.7 million.

**) Net result was impacted by unrealised foreign exchange loss/gain EUR -1.3 million (EUR 0.5 million, 2019).

CEO's review

Digitalist Group combines brand, design and technology expertise in a unique way. We aim to help our customers to provide their target groups with first-class customer experiences.

In the third quarter of 2020, we continued to work on improving profitability. At the end of August, the company had a total of 187 employees (a decrease of 26.7 per cent) of more than 30 different nationalities in four different countries. This is a good illustration of our company's diversity, a characteristic which provides our customers with added value. Digitalist Group has studios in Helsinki, Stockholm, London and Vancouver, each focusing on different areas of expertise and employing top-level experts, ranging from strategy and brand designers to design and technology specialists.

EVENTS DURING THE THIRD QUARTER

In the third quarter of 2020 we continued to work on improving profitability. Although the company has succeeded in the reduction of the cost level, that will not yet impact the profitability due to strong reduction in revenue. The Covid-19 pandemic has had a major impact on customer accounts, especially in the travel and tourism sector, as it continues to give rise to business uncertainty. The efficiency measures implemented during the review period and the comparison period reduced the Group's capacity substantially.

The business outlook has improved in the third quarter. We are building new operating methods in many of our customer relationships, adding more value in our customers' innovation processes and redesigning the customer experience.

In the third quarter, we completed a transaction that transferred Digitalist UK Limited's business associated with the Ticknovate™ product to Ticknovate Limited. The positive cash-flow effect of the transaction amounted to approximately EUR 0.7 million (net) in Digitalist Group's favour. A more precise focus on the further development of Ticknovate, combined with the sector expertise provided by the new investor, ABC Leisure investments Ltd, will enable scaling and international growth. Ticknovate is a cloud-based ticket sales and booking Software as a Service (SaaS) solution system.

In the final quarter of the financial year, it will be necessary to continue paying special attention and care to ensuring profitable growth, enhancing process efficiency and crystallising the company's strategy and key messages.

I have been amazed by the efforts and positive attitude of Digitalist Group's employees despite the difficult time we have been going through in the third quarter. Digitalist Group has a very strong basis for assisting customer companies in renewal and improving the customer and employee experience – particularly online. I believe that comprehensively improving the customer experience is an increasingly important priority for our customers in the midst of the Covid-19 pandemic.

// CEO Petteri Poutiainen

FUTURE PROSPECTS

In 2020, turnover is expected to decrease in comparison with 2019, and EBITDA is expected to improve in comparison with 2019.

OTHER EVENTS DURING THE THIRD QUARTER

The stock exchange releases for the review period 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 PLC
Board of Directors

Additional information:

Digitalist Group Plc

Petteri Poutiainen, CEO, tel. +358 40 865 4252, petteri.poutiainen@digitalistgroup.com

Mervi Södö, CFO, tel. +358 40 136 5959, mervi.sodo@digitalistgroup.com

Distribution:
Nasdaq Helsinki Ltd
Major media
<https://digitalist.global>

