



Digitalist Group Plc      Stock Exchange Release      21 May 2018 at 10:00 a.m

## **Digitalist Group grows and becomes more international by acquiring Grow Holding AB and Grow Nine AB through share exchange**

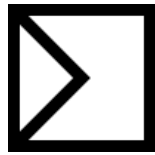
Digitalist Group Plc (“Digitalist Group”) has signed an agreement whereby the Swedish Grow Holding AB (“Grow”) becomes part of Digitalist Group, provided that certain conditions for the closing of the arrangement (“Arrangement”) are met. In connection with the Arrangement, Digitalist Group will also acquire from other shareholders (the “Owners”) such shares of Grow Nine AB which are not owned by Grow group. If the Arrangement takes place, Digitalist Group expands its operations in Sweden to strengthen its opportunity to create and provide comprehensive innovation, design and technology solutions. Grow is a Swedish company which has supported the growth of its client companies since 2004 by providing strategy, design and communication services both in Sweden and internationally. As a result of the sale, almost 50 experts will transfer to Digitalist Group. Together, Digitalist Group and Grow will form a creative and international design and technology company.

The unaudited turnover of the Grow Holding AB group (Grow Nine AB combined with the group) on 31 December 2017 was SEK 71.9 million, EBITDA was SEK -2.3 million and result was SEK -2.3 million.

*”Together we will be a more strategic, more creative and more significant provider of user-driven software solutions for our current and future clients,”* states Ville Tolvanen, CEO of Digitalist Group.

*“Grow wants to become more comprehensive and more international. Together with Digitalist Group, creative technology will be a part of our holistic solutions,”* says Andreas Rosenlew, founder of Grow Holding AB.

### **Information about the Arrangement**



# Digitalist

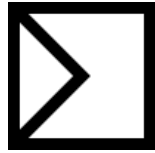
If the Arrangement is carried out, all the shares of Grow Holding AB and shares owned by the Owners in Grow Nine AB will be transferred to the ownership of Digitalist Group. As a result of the Arrangement, Grow Holding AB's subsidiaries Grow AB, Grow Finland Oy, Grow Norway AS and Grow Nine AB would become part of Digitalist Group. As consideration, Digitalist Group would issue approximately a total of 75,327,046 new Digitalist Group shares ("Consideration Shares") in a directed share issues ("Share Issues") in a share exchange for subscription by the current owners of Grow Holding AB and the Owners of Grow Nine AB. In relation to the purchase price's adjustment mechanism, a maximum of 90,392,456 shares would be issued in Share Issues. The purchase price of all of Grow Holding AB's shares is an estimated SEK 62.1 million and the purchase price of the Grow Nine AB shares is an estimated SEK 10.4 million, which purchase prices will be adjusted under the terms set out in the purchase agreement.

There are altogether six Swedish companies acting as a sellers in the Arrangement (jointly "Sellers"). After the Arrangement, the key persons of Grow Holding AB and Grow Nine AB would continue to work for the companies.

The Share Issues would take place by the decisions of the Board of Directors of Digitalist Group in deviation from the shareholders' pre-emptive subscription right on the basis of the authorisation given by the Annual General Meeting of Digitalist Group on 17 April 2018 in connection with the closing of the corporate transaction. The Consideration Shares issued in the Share Issues would be issued in order to develop the group's business and finance the corporate transaction, so there is a weighty financial reason for the Share Issues and the deviation from the pre-emptive right of the shareholders within the meaning of the Finnish Limited Liability Companies Act. The Share Issues would be conditional upon the closing of the corporate transaction and the approval of the share subscriptions. The subscription price of the Consideration Shares would be EUR 0.09 per Consideration Share and the final amount of shares issued for subscription in the Share Issues will be determined on the basis of the terms set out in the purchase agreement.

The main part of Consideration Shares would be subscribed and the transfer of all of Grow Holding AB's shares and Grow Nine AB shares not owned by Grow group into the ownership of Digitalist Group would take place in connection with the closing of the transaction.

The Consideration Shares would entitle to full dividends possibly distributed by Digitalist Group and to other distribution of assets as well as carry other shareholder rights in the company starting from when the Consideration Shares have been entered in the Trade

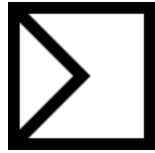


# Digitalist

Register and the shareholders' register of the company. Consideration Shares would be subject to a lock-up period of twelve (12) months – three (3) years starting from their issuance as separately agreed.

The consummation of the Arrangement is subject to, inter alia, the following special conditions:

1. EUR 8.0 million's worth of capital of and all interest accrued by the closing day of the Arrangement (approx. EUR 0.7 million) from the loans ("Loans") granted to Digitalist Group by Tremoko Oy Ab ("Tremoko"), totalling EUR 9.6 million, are converted into a convertible loan ("CL") on the closing day of the Arrangement. The essential terms of the CL would be the following:
  - a) interest 6.0% p.a.
  - b) interest starts to accrue as of 1 January 2019,
  - c) interest paid biannually 30 June and 31 December,
  - d) maturity date (if conversion right not exercised) 30 June 2021,
  - e) in addition to the maturity date, the debtor also has the right to repay the loan and its interests to the creditor at any time between 1 July 2018 and 30 June 2021,
  - f) the subscription price would correspond to the trade volume weighted average price of a Digitalist share for a period of 6 months preceding the notice concerning the conversion deducted by 10%, yet so that the CL in its entirety may be converted into a maximum of 150,000,000 new shares, and
  - g) the conversion period is at any time between 1 July 2019 and 30 June 2021 (unless otherwise agreed between the creditor and the debtor for a pressing financial or other weighty reason), yet so that the debtor has the right to notify that it intends to repay the loan, in which case no conversion right exists for 3 months starting from such a notification, regardless of whether or not the creditor has submitted a notice of the conversion. The debtor may submit the request to convert referred to herein only once.
2. Tremoko subscribes for 22,222,222 new Digitalist Group shares directed to it by Digitalist Group on the closing day of the Arrangement for a subscription price of EUR 0.09 or for a higher price which corresponds to the trade volume



# Digitalist

weighted average price of a Digitalist share for a period of 3 months preceding the closing day of the Arrangement and pays the subscription price by setting of the remaining principal of the Loan against the payment of the subscription price EUR 1.6 million and EUR 0.4 million in cash.

3. Tremoko will against a commission give a guarantee or collateral or a combination thereof at market price for a bank loan of EUR 2.0 million taken out by Digitalist Group to support working capital or, alternatively, provide a loan of corresponding amount on market terms itself.
4. In connection with the closing of the Arrangement, Tremoko would give conditional undertaking, limited to fourteen trading days after the listing of the Consideration Shares, to buy subject to the fulfilment of certain requirements a maximum total amount of 1,667,000 Consideration Shares from one designated Seller as separately agreed in connection with the closing.

Digitalist Group estimates that the consummation of the Arrangement would not have effect on Digitalist Group's previous guidance regarding the year 2018 according to which turnover is expected to grow further and the operating profit is expected to improve in 2018 compared to the previous year.

DIGITALIST GROUP PLC

Board of Directors

## **For more information, please contact:**

### **Digitalist Group Plc**

CEO Ville Tolvanen, tel. +358 50 3100 642, ville.tolvanen@digitalistgroup.com

### **Grow Holding AB / Grow Nine AB**

Founder, Andreas Rosenlew puh. +46 708 238 521, andreas.rosenlew@grow.eu