



Digitalist Group Plc Stock Exchange Release 1 June 2018 at 9:00 a.m

Not to be published or distributed in or into the United States, Canada, Australia, Hong Kong, South Africa or Japan.

Acquisition of Grow Holding AB and Grow Nine AB completed, directed share issue and convertible bond to Tremoko Oy Ab

Acquisition of Grow Holding AB and Grow Nine AB

On 31 May 2018, Digitalist Group Plc (“Digitalist Group” or “Company”) and the shareholders of Grow Holding AB and Grow Nine AB closed the arrangement announced on 21 May 2018 (“Arrangement”) whereby the group of companies of the Swedish Grow Holding AB becomes part of the Digitalist Group.

The 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. In the Arrangement, all of the shares of Grow Holding AB and such shares in Grow Nine AB which are not owned by the Grow group were 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 became part of the Digitalist Group.

The purchase price paid for all of Grow Holding AB’s shares is at least approximately EUR 4,652,336 (not an exact figure) and at most approximately EUR 6,978,504 (not an exact figure). The purchase price paid for all of Grow Nine AB’s shares is at least approximately EUR 771,210 (not an exact figure) and at most approximately EUR 1,156,816 (not an exact figure). The total purchase price paid for the shares of Grow Holding AB and Grow Nine AB (“Purchase Price”) is at most approximately EUR 8,135,320.95 (not an exact figure), which will be paid with new Company shares in connection with the closing of the transaction and possibly later once the purchase price has been balanced in accordance with the terms of the purchase agreement. With respect to the adjustment mechanism of the Purchase Price, a maximum of 90,392,456 new Digitalist Group Plc shares (“Consideration Shares”) would be issued in payment of the Purchase Price.

As part of the payment of the Purchase Price, Digitalist Group issued in a directed share issue (“Share Issue”) organised in connection with the closing altogether 60,261,641 new Digitalist Group shares (“Consideration Shares”) for subscription by the sellers (“Sellers”) in a share exchange. The Sellers have subscribed for the issued Consideration Shares offered for subscription in the Share Issue in full, and the Board of Directors of Digitalist Group has accepted the Sellers’ share subscriptions.

The Share Issues were carried out by the decision of the Board of Directors of Digitalist Group in deviation from the shareholders’ pre-emptive subscription right under the authorisation given by the Annual General Meeting of Digitalist Group on 17 April 2018. The Consideration Shares issued in the Share Issue were issued in order to develop the group’s business and finance the corporate transaction, so there is a weighty financial reason for the Share Issue and the deviation from the pre-emptive right of the shareholders within the meaning of the Finnish Limited Liability Companies Act. The subscription price of the Consideration Shares was EUR 0.09 per Consideration Share.

The Consideration Shares represent approximately 9.47 per cent of Digitalist Group’s shares and votes after the Share Issue when considering the shares subscribed for in the directed share issue directed at Tremoko Oy Ab on 31 May 2018. The Consideration Shares will entitle their holders 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 Register and the shareholders’ register of the company. The Consideration Shares are subject to a lock-up period of twelve (12) months – three (3) years as of their issuance as separately agreed.

In connection with the closing of the arrangement, Digitalist Group’s largest shareholder Tremoko Oy Ab gave a conditional commitment limited to a period of 14 trading days following the listing of the new Company shares (“Shares”) issued as consideration to, subject to the fulfilment of certain conditions, buy a maximum total of 1,667,000 Shares at EUR 0.07031 per share from one named Seller as separately agreed.

The terms and conditions for the Share Issue are appended to this stock exchange release.

Directed share issue to Tremoko Oy Ab

In order to fulfil a condition for execution of the Arrangement, the Board of Directors of the Company decided to issue up to 22 222 222 new shares in total in derogation from the pre-emptive subscription right of the shareholders in a directed share issue (“Directed

Share Issue”) on the authorisation of the Annual General Meeting of 17 April 2018. The Share subscription price in the Directed Share Issue is EUR 0.09 per share.

The shares issued in the Directed Share Issue were issued in order to develop the Company’s business and to carry out the corporate transaction, so there is a weighty financial reason for the Directed Share Issue and the deviation from the pre-emptive right of the shareholders within the meaning of the Finnish Limited Liability Companies Act.

Tremoko Oy Ab has subscribed for the shares offered for subscription in the Directed Share Issue in full, and the Board of Directors of Digitalist Group has accepted Tremoko Oy Ab's share subscription. Tremoko Oy Ab has paid the subscribed Shares by setting off its receivables from the Company in the amount of EUR 1.6 million and pays the remainder of the subscription price, EUR 399,999.98, in cash.

The Shares issued in the Share Issue correspond to altogether approximately 3.49 per cent of all Company shares and votes after the Directed Share Issue and the Share Issue. The Shares will entitle their holder 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 Shares have been entered in the Trade Register and the shareholders’ register of the Company.

The terms and conditions for the Directed Share Issue are appended to this stock exchange release.

Convertible bond to Tremoko Oy Ab

In order to fulfil a condition for the execution of the Arrangement, the Company’s Board of Directors resolved under the authorisation granted by the Company’s Annual General Meeting of 17 April 2018 to, in deviation from the pre-emptive right of the company’s shareholders, direct a convertible bond (“Loan”) and the attached special rights as referred to in Chapter 10 Section 1(2) of the Limited Liability Companies Act (“Special Rights”) for subscription by Tremoko Oy Ab in accordance with the terms (“Terms”) of the agreement concerning the Loan. The principal of the Loan is EUR 8,671,932.36. Tremoko Oy Ab or the current holder of the Special Rights is entitled to subscribe for a maximum of 150 000 000 new Company shares under the terms set out in more detail in the Terms. Tremoko Oy Ab has subscribed for the Loan and the attached Special Rights in full in accordance with the Terms, and the Company’s Board of Directors has accepted Tremoko Oy Ab’s subscription.

The number of shares issued on the basis of the right of conversion is determined by dividing the amount of principal of the Bond by the rate of conversion (“Rate of Conversion”). The Rate of Conversion of the share (which means the subscription price per share as referred to in the Limited Liability Companies Act) corresponds to the trade volume weighted average price of the Company’s share in the Nasdaq Helsinki Stock Exchange during the period of six (6) months preceding the making of the Request to Convert as defined in section 13 of the Terms of the Loan minus 10 per cent, yet so that each Bond can be converted into a maximum of ten million (10,000.000) new company shares. The Rate of Conversion of a Share will be revised in accordance with the Terms of the Loan.

The other main terms of the Terms of the Loan and the Special Rights are as follows:

- 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 of the Loan (if conversion right has not been exercised) 31 December 2021,
- e) In addition to the maturity date, the debtor also has once 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 conversion period is at any time between 1 July 2018 and 31 December 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.
- g) The Loan is divided into negotiable bonds with the nominal value of EUR 578,128.824 as set out in the Terms. The total number of bonds is fifteen (15).

Tremoko Oy Ab has paid the subscribed Loan and the attached Special Right by setting off its receivables from the Company in the total amount of EUR 8,671,932.36.

The terms and conditions for the Loan are appended to this stock exchange release.

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

Distribution:

Nasdaq Helsinki Oy

Main media

DISCLAIMER

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. The information in this announcement may be subject to change. This announcement is not a prospectus for the purposes of Directive 2003/71/EC (such directive, as amended, together with any applicable implementing measures in the relevant member state of the European Economic Area under such Directive, the “Prospectus Directive”).

The information contained herein is not for publication or distribution, directly or indirectly, in or into the United States, Canada, Australia, Hong Kong, South Africa or Japan. These written materials do not constitute an offer of securities for sale in the United States, nor may the securities be offered or sold in the United States absent registration or an exemption from registration as provided in the U.S. Securities Act of 1933, as amended, and the rules and regulations thereunder. The Company does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

The issue, exercise and/or sale of securities in the offering are subject to specific legal or regulatory restrictions in certain jurisdictions. Digitalist Group Plc (“Company”) assumes no responsibility in the event there is a violation by any person of such restrictions.

The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities referred to herein in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Investors must neither accept any offer for, nor acquire, any securities to which this document refers, unless they do so on the basis of the information contained in the applicable prospectus published or offering circular distributed by the Company.

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) and (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as “relevant persons”). Any investment activity to which this communication relates will only be available to and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

None of the Company and its respective affiliates, directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.