

Digital Workforce Services Plc: Business Review January 1 - March 31, 2024: Company continues to grow profitably, driven by its Healthcare division and North American business

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Company Announcement May 3, 2024 at 8am EEST

Business Review January 1 - March 31, 2024 (unaudited)

Unless otherwise stated, the comparison figures provided in parentheses refer to the corresponding period of the previous year.

COMPANY CONTINUES TO GROW PROFITABLY, DRIVEN BY ITS HEALTHCARE DIVISION AND NORTH AMERICAN BUSINESS

The company returned to growth-track and in the first quarter of the year achieved a significant improvement in key financial indicators compared to the previous year's trend. The company reported several new customer wins and made progress as planned in the strategically important Healthcare sector and in North America.

January-March 2024:

- Revenue was EUR 6.7 (6.5) million and increased by 3.0 %.
- EBITDA was EUR 0.3 (0.3) million and adjusted EBITDA EUR 0.3 (0.3) million.
- Operating profit was EUR 0.2 (0.2) million.
- Revenue from Continuous Services was EUR 4.0 (3.9) million and increased by 2.4 %. The percentage of revenue was 59.6 % (60.0 %).
- Revenue from Professional Services was EUR 2.7 (2.6) million and increased by 4.0 %. The percentage of revenue was 40.4 % (40.0 %).
- At the end of the reporting period, cash and bank receivables and other liquid assets were
- at EUR 13.0 (15.5) million.
- The number of employees at the end of the reporting period was 174 (194) and the average number of employees was 177 (192).
- On January 8, 2024, the company announced that Leon Stafford will leave his role as Head of Sales UK & Ireland on January 12, 2024 to pursue a career outside Digital Workforce.
- On January 15, 2024, the company signed a 3-year contract with a well-known global engineering company. The contract is estimated to be worth a minimum of EUR 0.8-1.2 million over the contract period.
- On February 2, 2024 the company appointed Karli Kalpala as Head of Region UK & Ireland and Head of Strategy Transformation.
- Digital Workforce was selected to implement two major data migration projects for the Central Uusimaa Wellbeing Services County (Keusote). The projects have a combined value of EUR 0.6 million and an estimated duration of 12 months.
- The company completed the acquisition of the company's own shares on March 20, 2024. Digital Workforce acquired 75 358 own shares with a total value of EUR 249 980.15 and an average price of EUR 3.3172.

Outlook for 2024 (unchanged)

Digital Workforce's full-year 2024 revenue is expected to be higher than in 2023 and adjusted EBITDA is projected to be positive and improve compared to 2023.

Key Figures

1 000 euros	1-3/2024	1-3/2023	Change %	2023
Net sales	6 709	6 513	3.01 %	24 919
Professional Services net sales	2 711	2 608	3.95 %	9 693
Continuous Services net sales	3 998	3 905	2.39 %	15 226
Continuous Services' share of net sales	59.6 %	60.0 %		61.1 %
Gross profit	2 415	2 332	3.56 %	8 226
% of net sales	36.0 %	35.8 %		33,0 %
EBITDA	285	253	12.57 %	-649
% of net sales	4.3 %	3.9 %		-2.6 %
EBITDA adj. *	285	253	12.57 %	155
% of net sales	4.3 %	3.9 %		0.6 %
EBIT	193	211	-8.63 %	-844
% of net sales	2.9 %	3.2 %		-3.4 %
Net income	182	90		-697
EPS, eur	0.02	0.01		-0.06
Personnel at the end of the period	174	194		177
Average number of personnel	177	192		186

* The EBITDA adjustment consists of restructuring costs in 2023.

CEO **Jussi Vasama**:

"I am very pleased with the progress the company is making in implementing its strategy for profitable growth. The efficiency measures and successes in new sales at the end of 2023 supported a clear financial turnaround and are reflected in improved financial results in the first quarter.

The improvement in results compared to the previous year's trend is significant. The success of the investments made and the good development of the operational activities is particularly well illustrated by the fact that the comparative figures for the first quarter of 2023 include EUR 0.5 million of product development support from Business Finland and product development activations, with no corresponding entries in the follow-up period.

The company continued to grow its business, particularly in the Healthcare sector and North America. This reflects the competitiveness of the company's Outsmart service offering and the predictability of its Continuous Services in a generally difficult IT services market. I see a good start to the year and successes in both new sales and existing customers as a good basis for accelerating profitable growth in the coming quarters."

Post-Report period events

Digital Workforce Services announced on April 23, 2024 that it received a significant order from an existing client for professional services in the United States worth approximately EUR 2.7 million for the next 12 months. Digital Workforce will deliver services to support the client in analysing business process automation potential and developing process automations.

Financial calendar 2024

Digital Workforce services Plc will publish the following financial information in 2024:

- Half-Year Financial Report for January-June on August 23, 2024 at 9:00 a.m. EET
- Business review for January-September 2024 on November 1, 2024 at 9:00 a.m EET

Reports will be published as Company announcements will be available at

<https://digitalworkforce.com/investors/reports-and-presentations/>.

This is not an interim report pursuant to the IAS 34 standard. The company adheres to the semiannual reporting arrangement laid down in the Securities Markets Act and publishes business reviews for the first three and nine months of each year, which present the key information on the company's financial development. The financial information provided in this business review has not been audited. Unless otherwise stated, the figures in parentheses refer to the corresponding period of the previous year.

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About Digital Workforce Services Oyj

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Digital Workforce Services Plc is a leading business process automation services and technology solution provider globally. Digital Workforce Outsmart services and technology solution suites allow organizations to save costs, accelerate digitalization, increase revenue, improve customer experience, and gain a competitive advantage. Globally, over 250 large customers use Digital Workforce's services and technologies to transform their businesses with automation. Founded in 2015, Digital Workforce currently employs over 200 business automation specialists in the US, UK & Ireland, and Northern and Central Europe. Digital Workforce is publicly listed in Nasdaq First North Growth Market Finland.

<https://digitalworkforce.com>