

Digital Workforce Services Plc: Business Review January 1 - March 31, 2025: Continuous Services revenue grew by 12%, overall revenue and profitability decreased as project deliveries were delayed

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Company Announcement April 25, 2025 at 8am EEST

Business Review January 1 - March 31, 2025 (unaudited)

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

CONTINUOUS SERVICES REVENUE GREW BY 12%, OVERALL REVENUE AND PROFITABILITY DECREASED AS PROJECT DELIVERIES WERE DELAYED

The company's growth in Continuous Services revenue developed in line with strategy. The transformation of professional services into a project business and the postponement of the invoicing of major projects in the healthcare sector to the coming quarters caused a dip in profitability and growth. The company continued to reorganise its operations to enable the strategic investments in a financially sustainable structure and implemented cost-saving measures in various countries.

January-March 2025:

- Revenue was EUR 6.5 (6.7) million and decreased by -3.7 %.
- EBITDA was EUR -1.2 (0.3) million and adjusted EBITDA EUR -0.3 (0.3) million.
- Operating profit was EUR -1.3 (0.2) million.
- Revenue from Continuous Services was EUR 4.5 (4.0) million and increased by 12.0%. The percentage of revenue was 69.3 % (59.6 %).
- Revenue from Professional Services was EUR 2.0 (2.7) million and decreased by -26.8 %. The percentage of revenue was 30.7 % (40.4 %).
- Earnings per share (EPS) amounted to EUR -0.12 (0.02).
- At the end of the reporting period, cash and bank receivables and other liquid assets were at EUR 10.2 (13.0) million.
- The number of employees at the end of the reporting period was 171 (174) and the average number of employees was 173 (177).

Other events during the period

- Company announced on January 3, 2025 that it appoints Lago Kapital as liquidity provider.
- Company announced on January 7, 2025 the appointment of Antti Karjalainen, M.Sc. (Eng.) and M.Sc. (Econ.), as Chief Technology Officer (CTO) and a member of the Management Team.
- Company announced on January 14, 2025 that Mikko Lampi M.Sc. (Eng.) has been appointed as Chief Operating Officer (COO) and member of the Management Team. Mikko Lampi succeeds Tuomo Sievilä, who has decided to leave his position as Head of Customer Operations and member of the Management Team to continue his career outside Digital Workforce. The changes were effective from 15 January, 2025.
- Company announced on February 5, 2025 a dividend policy to support the company's profitable growth strategy. In the future, the company aims to pay a dividend of at least 30% of the profit for the financial year.
- Company announced on March 26, 2025 that CFO Heini Kautonen has resigned from the company to pursue a career outside the company. She will continue as CFO and member of Management Team until end of May 2025. The search for a new CFO will start immediately.

Outlook for 2025 (unchanged)

Digital Workforce's full-year 2025 revenue is expected to be higher than in 2024 and adjusted EBITDA is projected to improve compared to 2024.

Key Figures

1 000 euros	1-3/2025	1-3/2024	Change %	2024
Net sales	6 463	6 709	-3.66 %	27 256
Professional Services net sales	1 984	2 711	-26.80 %	9 981
Continuous Services net sales	4 479	3 998	12.03 %	17 275
Continuous Services' share of net sales	69.3 %	59.6 %		63.4 %
Gross profit	1 125	2 415	-53.40 %	9 525
% of net sales	17.4 %	36.0 %		34.9 %
EBITDA	-1 203	285	-521.39 %	614
% of net sales	-18.6 %	4.3 %		2.3 %
EBITDA adj. *	-322	285	-212.79 %	988
% of net sales	-5.0 %	4.3 %		3.6 %
EBIT	-1 294	193	-772.02 %	268
% of net sales	-20.0 %	2.9 %		1.0 %
Net income	-1 317	182		590
EPS, eur	-0.12	0.02		0.05
Personnel at the end of the period	171	174		175
Average number of personnel	173	177		178

* The EBITDA adjustment consists of restructuring costs in 2025.

CEO Jussi Vasama:

"The financial results for the first quarter were weaker than expected. This was driven by significant uncertainties in the international economy and trade, as well as the general weakness of the IT services market. The company has several large delivery projects underway, particularly in the healthcare sector. The slower progress of deliveries and the timing of invoicing affected both revenue and profitability. In addition, several large new sales projects were delayed during the first quarter due to changes in customers' schedules.

The rapid change in the operating environment in North America influenced our decisions to proceed more cautiously in the market. In other respects, we continued to develop our activities in line with our strategy. We significantly reorganised and simplified the organisation to ensure that our investments in the high-growth healthcare business and AI-Agent based solutions, that are revolutionising the way knowledge work is done, are sustainable and that our skills profile better supports the growth prospects of the business. In addition, the company implemented significant cost-saving measures that will impact operations from the second quarter onwards.

The number of sales opportunities increased significantly in both healthcare and AI-Agent based solutions. In addition, we achieved important wins at the end of the quarter. This supports the company's strategy going forward."

Post-Report period events

No significant events after the reporting period.

Financial calendar 2025

Digital Workforce services Plc will publish the following financial information in 2025:

- Half-Year Financial Report for January-June 2025 on July 18, 2025 at 8:00 a.m. EET
- Business review for January-September 2025 on October 23, 2025 at 8:00 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

About Digital Workforce Services Plc

Digital Workforce Services Plc is a leader in business automation and technology solutions. Its Outsmart platform and services, including Enterprise AI Agent solutions, empower organizations to transform knowledge work, reduce costs, accelerate digitalization, enhance customer experiences, and strengthen their competitive edge. Over 200 large international organizations rely on the company's services to drive transformation through automation. Digital Workforce has particular expertise in automating healthcare and social care pathways, advancing long-term condition follow-up, improving patient safety, and enhancing the productivity of healthcare professionals. Founded in 2015, Digital Workforce employs over 200 business automation specialists across the US, UK & Ireland, and Northern and Central Europe. The company is listed on the Nasdaq First North Growth Market Finland.

<https://digitalworkforce.com>