

DIGITAL WORKFORCE SERVICES OYJ

# THE BOARD REPORT AND THE FINANCIAL STATEMENTS

1.1. - 31.12.2022

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The Consolidated Financial Statements have been prepared by  
Greenstep Oy  
Authorized accounting company  
Keilaranta 5  
02150 Espoo

## BOARD REPORT 2022

Digital Workforce is the world's leading service company specializing in industrial-level software robotics and intelligent automation, measured by turnover, service offering, customer references and number of employees. Digital Workforce helps its customers to automate business processes and information work tasks by providing them with business process planning expertise and the implementation of process automation.

### Financial review 1.1 – 31.12.2022

#### Key figures, group

1000 EUR	1-12/2022	1-12/2021	1-12/2020
Revenue	25 470	22 362	19 095
<i>Change in revenue %</i>	<i>13,9 %</i>	<i>17,1 %</i>	<i>11,3 %</i>
Revenue from Professional services	10 478	10 703	10 085
Revenue from Continuous services	14 992	11 659	9 010
<i>Continuous services share of revenue</i>	<i>58,9 %</i>	<i>52,1 %</i>	<i>47,2 %</i>
Sales margin	9 294	7 926	6 216
<i>% of revenue</i>	<i>36,5 %</i>	<i>35,4 %</i>	<i>32,6 %</i>
EBITDA	-1 785	-956	-406
<i>% of revenue</i>	<i>-7,0 %</i>	<i>-4,3 %</i>	<i>-2,1 %</i>
Adjusted EBITDA	-874	-585	-406
<i>% of revenue</i>	<i>-3,4 %</i>	<i>-2,6 %</i>	<i>-2,1 %</i>
EBIT	-2 608	-1 219	-600
<i>% of revenue</i>	<i>-10,2 %</i>	<i>-5,5 %</i>	<i>-3,1 %</i>
Net income	-3 009	-3 578	-906
Earnings per share	-0,3	-0,6	-1,8
Capital expenditure	-1 166	-37	-464
Operating cash flow	-2 043	-1 310	-394
Net debt	-15 624	-18 283	575
Equity ratio %	55,3 %	69,0 %	-6,5 %
Return on equity %	-17,8 %	-40,4 %	n/a

#### Development of revenue and profitability

Digital Workforce's revenue for the financial year 2022 were EUR 25.5 (22.4) million, an increase of EUR 3.1 million, or 13.9% from last year. In the second half of the year, revenue was EUR 13.5 (11.3) million, up 19.7% from the previous financial period. The growth was driven by new international customers and continued volume growth of existing customers.

The group's sales margin was EUR 9.3 (7.9) million and the relative sales margin of 36.5% (35.4%) improved compared to the previous year. The group's adjusted EBITDA was EUR -0.9 (-0.6) million and operating profit was EUR -2.6 (-1.2) million. EBITDA adjustments amounted to EUR 0.9 (0.4) million and were non-recurring items of a non-operational nature.

In the second half of the year the group's sales margin was EUR 5.1 (3.9) million and the relative sales margin of 37.6% (34.8%) improved significantly compared to the previous year. The group's adjusted EBITDA was EUR 0.5 (-0.3) million and operating profit was EUR -0.9 (-0.8) million. EBITDA adjustments amounted to EUR 0.6 (0.4) million and were non-recurring items of a non-operational nature.

The loss for the period amounted to EUR -3.0 (-3.6) million. Financial expenses amounted to EUR -0.5 (-2.3) million. IPO expenses included in financial expenses amounted to EUR -2.2 million in 2021. Earnings per share were EUR -0.3 (-0.6).

### **Group balance sheet, financing and cashflow**

The balance sheet total at the end of the review period was EUR 27.9 (26.5) million. The equity ratio was 55.3% (69.0%) and net debt was EUR -15.6 (-18.3) million. In 2021, the company raised gross funds of around EUR 22.5 million in the IPO. During the financial year 2022, a total of EUR 1.2 million has been raised from financial companies.

The group's operating cash flow was EUR -2.0 (-1.3) million and the Group's cash flow from investing activities was EUR -1.2 (-0.0) million. The majority of the cash flow from investing activities resulted from the acquisition of The Eclair Group (Ireland) Limited. The Group has recognised an acquisition cost of EUR 1.5 million, including an additional purchase price of EUR 0.2 million based on management's estimate at the balance sheet date. The additional purchase price does not exceed 0.98 million.

### **Organizational structure**

The group's parent company is Digital Workforce Services Plc, with subsidiaries in Sweden, Norway, Denmark, the United States, the UK, Germany, Poland and Ireland. During the financial year, the group's parent company established a new subsidiary, Digital Workforce Ireland Limited, in Ireland, which acquired a 100% shareholding in The Eclair Group (Ireland) Limited.

At the end of the financial year, the Digital Workforce Group comprised, in addition to the parent company Digital Workforce Services Plc, its 100% owned subsidiaries Digital Workforce Svenska AB, Digital Workforce AS, Digital Workforce A/S, Digital Workforce Services Inc, Digital Workforce Services Ltd, DWF Digital Workforce Services GmbH, Digital Workforce Sp.z.o.o, Digital Workforce Ireland Limited and The Eclair Group (Ireland) Limited.

### **Personnel and locations**

The group employed an average of 193 (191) people during the financial year. Wages and salaries amounted to EUR 12.4 million in the financial year 2022, EUR 11.2 million in the financial year 2021 and EUR 10.4 million in the financial year 2020. The Group has offices in Finland, Sweden, Norway, Denmark, the United States, the UK, Germany, Poland and Ireland.

At the end of the financial year, the Group's management team consisted of Mr. Heikki Länsisyrjä, CEO, Mr. Karli Kalpala, Director, Business Service & Design, Ms. Heini Kautonen, CFO, Ms. Eila Onniselkä, Head of HR, Mr. Tuomo Sievilä, Director, Continuous Services, Mr. Teemu Vieruaho, Director, Intelligent Automation Consulting, Mr. Jukka Virkkunen, Chief Revenue Officer and Ms. Kristiina Åberg, Director, Marketing.

During the review period, Mr. Mika Vainio-Mattila, the company's CEO, left his position and Mr. Heikki Länsisyrjä was appointed interim CEO of Digital Workforce Services Plc. Mr. Jussi Vasama (MSc (Tech)) has been appointed as the new CEO of Digital Workforce Services Plc. He will take up his position on 19 April 2023 at the latest. The company strengthened its management team with global healthcare industry expertise and appointed Mr. Juha Järvi (MSc (Econ)) as Global Head of Healthcare and as a new member of the management team. Mr. Juha Järvi started in his new position on 1 January 2023.

## Board of Directors

Mr. J.T. Bergqvist was elected Chairman of the Board on 12 April 2022. At the end of 2022, the Board of Digital Workforce Services Plc consisted of Mr. J.T. Bergqvist, Mr. Timo Ahopelto, Ms. Marika Auramo, Mr. Heikki Länsisyrjä, Mr. Juha Mikkola, Ms. Leena Niemistö and Mr. Jukka Virkkunen.

## Annual General Meeting

The Annual General Meeting of Digital Workforce Services Plc was held on April 12, 2022 in Helsinki. The Meeting confirmed the financial statements for the financial year 2021, and it was decided that the results of the fiscal year will be transferred to retained earnings, no dividend shall be paid and that the members of the Board and CEO were discharged from liability for 2021.

The annual general meeting decided to appoint seven (7) members. The appointed members are Mr. J.T. Bergqvist, Ms. Marika Auramo, Mr. Timo Ahopelto, Mr. Heikki Länsisyrjä, Mr. Juha Mikkola, Ms. Leena Niemistö and Mr. Jukka Virkkunen. In its meeting the Board of Director elected Mr. J.T. Bergqvist as Chairman of the Board of Directors.

KPMG Oy Ab, authorized public accountants, was chosen as the Company's Auditor and Toni Aaltonen, APA, served as the auditor with principal responsibility.

## Shares

At the end of the review period, the company's total number of shares was 11 182 788 (11 020 023).

The decision to issue special rights was made on 5 May 2017. The number of shares to be issued with the rights is a maximum of 246,400. The decision to issue special rights was amended on 14 October 2021 and 1 December 2021. The decision to issue special rights was made on 22 October 2018. The maximum number of shares to be issued by means of rights is 222 600. The decision to issue special rights was amended on 14 October 2021 and 1 December 2021. The decision to issue special rights was taken on 15 September 2020. The number of shares to be issued with rights is up to 140 000. The decision to issue special rights was amended on 14 October 2021 and 01 December 2021. The decision to issue special rights was taken on 26 April 2022. The number of shares to be issued with rights is up to 70 652.

On 14 October 2021, the Annual General Meeting **authorized** the Board of Directors to decide on the share issue and the issue of special rights entitling to shares. A maximum of 1 500 000 shares may be issued under this authorization.

After the end of the financial year, shares were subscribed for with stock options from 2017, 2018 and 2020. A total of 28,755 Digital Workforce Services Plc's new shares has been subscribed for with the Company's stock options on 31 December 2022. A total of 5,580 Company's new shares has been subscribed for with the company's stock options 2017, a total of 6,750 Company's new shares has been subscribed for with the

company's stock options 2018 and a total of 16,425 Company's new shares has been subscribed for with the company's stock options 2020.

For subscriptions made with the stock options 2017, 2018 and 2020 the entire subscription price of EUR 15,822.00 has been entered in the reserve for invested unrestricted equity.

After the trade registration the total amount of shares is 11,211,543.

The shares subscribed for under the stock options 2017, 2018 and 2020 have been registered in the Trade Register on 14 February 2023, as of which date the new shares will establish shareholder rights. The shares will be traded on the NASDAQ Helsinki together with the old shares as of 15 February 2023.

### **Performance-based Matching Share Plan**

The company has a long-term performance-based matching share plan, which was introduced at the time of the IPO. The purpose of the incentive plan is to align the objectives of Digital Workforce's shareholders and key employees to increase the value of the company's shares over the long term, to engage key employees in the implementation of the company's strategy and to provide them with a competitive remuneration scheme based on the earning and accumulation of the company's shares.

The incentive plan is based on a participant's investment in the company's shares, which allow the participant to earn additional shares as a reward for continued share ownership and continued employment and for achieving performance-based goals set by the Board of Directors. The plan consists of vesting periods 2022-2024, 2023-2025 and 2024-2026. The Board of Directors of the company separately determines the vesting criteria, the targets to be set for each criterion, the target group of the incentive plan and the vesting opportunity for each vesting period. The potential reward for each performance period will be paid in the form of company shares after the end of the performance period. If the key person's employment ends before the award is paid, the award will not normally be paid.

The vesting criterion for the 2022-2024 performance period is based on total shareholder return (TSR). The target group for the performance period at the balance sheet date is estimated to comprise approximately 20 individuals, including members of company's management team. The maximum award amount for the target group is approximately 138,000 shares in total. The total current value of the 2022-2024 vesting period is up to approximately EUR 0.5 million, estimated at the average exchange rate at the last trading day of the reporting period, assuming that the participants meet the investment condition in full.

### **Trading on Nasdaq First North Growth Market Finland**

During the period 1 January 2022 - 31 December 2022, a total of 741 716 shares, or 6.6 per cent of the total number of shares, were traded in Digital Workforce Services Plc. The value of the exchange was EUR 3.3 million.

The closing share price on the last trading day of the reporting period was EUR 3.945 per share. The lowest trading price for the period was EUR 2.8 per share, the highest was EUR 6.6 per share and the average price for the period was EUR 4.50 per share.

## **Dividend**

The parent company's distributable funds on December 31, 2022 were EUR 25 480 377.73. The Board of Directors are proposing to the Annual General Meeting that no dividend will be paid.

## **Research and development activities**

In 2022, Digital Workforce started research and development related to the Outsmart business. The goal of the development work is to create a unique service and technology package for the automation of customers' business processes.

## **Assessment of the company's future development**

The market for comprehensive development and automation of business processes is growing strongly and is still the fastest growing IT sector. The market still has a lot of untapped profit potential. Digital Workforce's service offering has grown to broadly cover the automation of business processes. The company's traditional robotics business is still an important part of this service package.

We expect the company's revenue growth to continue during 2023 and profitability to be positive in terms of adjusted EBITDA. By the end of 2025, the company is aiming for a turnover of 50 million and an operating margin of more than 10%.

## **Short-term risks and uncertainties**

The global development of business and capabilities in line with the strategy will play an important role in the future of the company. Strategic recruitment of key personnel must continue to be successful, even if there are risks regarding staff availability. The company will continue to invest in maintaining a good employer status and retaining staff in the future.

The strong growth of the market for end-to-end business process development and automation will increase competition and new players may enter the market in addition to traditional competitors.

Although the customer portfolio is fairly well diversified, a possible loss of individual large customers represents a risk to the development of turnover.

A number of customer contracts have been signed in the UK and the US over the past year. These customers require from the company an ability to scale services according to the growing customer needs.

The impact of inflation on staff and other cost increases must be closely monitored and reacted to quickly to minimise the impact on the company's profitability. The tightening global geopolitical situation may continue to have a direct or indirect impact on the company's business.

## **Post-Report period events**

Jussi Vasama's starting date as new CEO of Digital Workforce Services Plc has been agreed. He will start in his position on March 27, 2023.

In addition, the group announced that it has entered a contract to deliver professional business process automation services and staff augmentation to one of the most prestigious healthcare business networks in the US.

On 1 February 2023, the company announced that the Board of Directors approved the participation of approximately 30 key employees in the performance-based matching share plan 2022-2026 for the performance period 2023-2025. During the performance period 2023–2025, the rewards are based on the Group’s Total Shareholder Value (TSR) of the Digital Workforce Services share for the financial years 2023–2025. The gross rewards to be paid on the basis of the Performance Period 2023–2025 correspond to the value of an approximate maximum total of 458.000 shares of Digital Workforce Services Plc. The current aggregate maximum value of the performance period 2023—2025, estimated based on the average share price of the last trading day preceding the announcement date and assuming that the eligible participants fulfil the investment requirement in full, is approximately EUR 1.9 million.



GROUP PROFIT LOSS STATEMENT

EURO	Group 1.1-31.12.2022	Group 1.1-31.12.2021
<b>REVENUE</b>	<b>25 470 072,99</b>	<b>22 361 771,80</b>
Production to own use	73 517,00	0,00
Other operating income	492 142,52	36 785,59
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	-43 965,32	-93 394,74
External services	-7 634 597,67	-6 224 538,21
	<u>-7 678 562,99</u>	<u>-6 317 932,95</u>
Personnel expenses		
Wages and salaries	-12 394 047,84	-11 176 426,40
Social security expenses		
Pension expenses	-1 347 927,08	-1 276 523,58
Other social security expenses	-914 919,97	-959 728,19
	<u>-14 656 894,89</u>	<u>-13 412 678,17</u>
Depreciation, amortisation and write-offs		
Depreciation and amortisation according to plan	-222 124,95	-263 127,52
Group goodwill amortisation	-64 124,75	0,00
Reductions of capitalised long-term expenses	-536 672,42	0,00
	<u>-822 922,12</u>	<u>-263 127,52</u>
Other operating expenses	-5 484 957,17	-3 623 858,86
<b>OPERATING PROFIT (LOSS)</b>	<b>-2 607 604,66</b>	<b>-1 219 040,11</b>
Financial income and expenses		
Financial income		
Interest and other financial income		
From others	97 468,34	25 940,11
Financial expenses		
Reduction in value, other securities	-60 084,55	0,00
Interest and other financial expenses		
To others	-419 666,85	-2 334 379,46
Financial income and expenses total	<u>-382 283,06</u>	<u>-2 308 439,35</u>
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>-2 989 887,72</b>	<b>-3 527 479,46</b>
Income taxes		
Income taxes	-19 239,33	-50 319,73
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>	<b>-3 009 127,05</b>	<b>-3 577 799,19</b>

GROUP BALANCE SHEET

EURO	Group 31/12/2022	Group 31/12/2021
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets		
Development expenditure	57 060,64	718 916,21
Group goodwill	1 474 869,20	0,00
	<hr/> 1 531 929,84	<hr/> 718 916,21
Tangible assets		
Machinery and equipment	36 708,32	60 518,78
Other tangible assets	4 742,85	11 066,82
	<hr/> 41 451,17	<hr/> 71 585,60
<b>NON-CURRENT ASSETS TOTAL</b>	<b>1 573 381,01</b>	<b>790 501,81</b>
<b>CURRENT ASSETS</b>		
Long-term debtors		
Other debtors	24 904,96	11 706,97
	<hr/> 24 904,96	<hr/> 11 706,97
Short-term debtors		
Trade debtors	4 428 068,09	3 805 154,21
Other debtors	48 113,46	56 306,49
Subscribed capital unpaid	15 822,00	0,00
Prepayments and accrued income	3 688 916,16	2 127 086,48
	<hr/> 8 180 919,71	<hr/> 5 988 547,18
Securities		
Other securities	8 621 895,21	0,00
	<hr/> 8 621 895,21	<hr/> 0,00
Cash in hand and at banks	9 516 876,43	19 753 101,29
<b>CURRENT ASSETS TOTAL</b>	<b>26 344 596,31</b>	<b>25 753 355,44</b>
<b>ASSETS TOTAL</b>	<b>27 917 977,32</b>	<b>26 543 857,25</b>

GROUP BALANCE SHEET

EURO	Group 31/12/2022	Group 31/12/2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	80 000,00	80 000,00
Invested unrestricted equity reserve	28 010 653,69	27 964 555,69
Retained earnings (loss)	-9 758 727,22	-6 180 928,03
Translation difference	116 344,69	28 324,89
Profit (loss) for the financial year	-3 009 127,05	-3 577 799,19
<b>EQUITY TOTAL</b>	<b>15 439 144,11</b>	<b>18 314 153,35</b>
<b>LIABILITIES</b>		
Non-current liabilities		
Loans from credit institutions	2 271 371,00	1 314 371,00
	2 271 371,00	1 314 371,00
Current liabilities		
Loans from credit institutions	243 000,00	156 194,33
Advances received	71 825,15	46 888,87
Trade creditors	1 914 096,71	1 204 393,07
Other creditors	1 941 407,23	1 153 720,32
Accruals and deferred income	6 037 133,12	4 354 136,31
	10 207 462,21	6 915 332,90
<b>LIABILITIES TOTAL</b>	<b>12 478 833,21</b>	<b>8 229 703,90</b>
<b>EQUITY AND LIABILITIES TOTAL</b>	<b>27 917 977,32</b>	<b>26 543 857,25</b>

GROUP CASH FLOW STATEMENT

EURO	Group 1.1-31.12.2022	Group 1.1-31.12.2021
<b>Cash flow from operations</b>		
Profit (loss) before appropriations and taxes	-2 989 887,72	-3 527 479,46
Adjustments:		
Depreciation and amortisation according to plan	822 922,12	263 127,52
Other income and expenses without payment	-60 084,55	0,00
Financial income and expenses	199 144,08	2 312 849,66
Other adjustments	-246 240,01	0,00
Cash flow before change in net working capital	-2 274 146,08	-951 502,28
<b>Change in net working capital:</b>		
Increase (-)/ decrease (+) of short and long term receivables	-1 929 776,10	-616 541,30
Increase (+)/ decrease (-) of short term interest-free liabilities	2 837 724,44	299 268,78
Cash flow from operations before financial income and expenses and taxes	-1 366 197,74	-1 268 774,80
Paid interest and payments of other operational financial expenses	-142 145,33	-157 799,62
Received interest from operations	5 539,01	434,82
Paid immediate taxes	-19 239,33	-98 990,21
Cash flow before appropriations	-1 522 043,39	-1 525 129,81
<b>Cash flow from operations (A)</b>	<b>-1 522 043,39</b>	<b>-1 525 129,81</b>
<b>Cash flow from investments:</b>		
Investments in tangible and intangible assets	-60 911,36	-38 753,22
Loans granted	0,00	1 756,00
Purchased subsidiary shares	-1 105 456,57	0,00
<b>Cash flow from investments (B)</b>	<b>-1 166 367,93</b>	<b>-36 997,22</b>
<b>Cash flow from financing:</b>		
Paid share emission	30 276,00	22 572 585,69
Withdrawal of short term loans	0,00	742 956,25
Repayment of short term loans	-156 194,33	-2 501 802,73
Withdrawal of long term loans	1 200 000,00	20 500,00
Repayment of long term loans	0,00	-341 211,65
Paid interest expenses and other financial expenses (*)	0,00	-2 155 488,92
<b>Cash flow from financing (C)</b>	<b>1 074 081,67</b>	<b>18 337 538,63</b>
<b>Change in cash (A + B + C) increase (+) / decrease (-)</b>	<b>-1 614 329,65</b>	<b>16 775 411,60</b>
Cash at the beginning of the period	19 753 101,29	2 977 689,69
Cash at the end of the period	18 138 771,64	19 753 101,29
	-1 614 329,65	16 775 411,60

(\*) Includes IPO expenses

PARENT PROFIT LOSS STATEMENT

EURO	Parent 1.1-31.12.2022	Parent 1.1-31.12.2021
<b>REVENUE</b>	<b>17 534 963,96</b>	<b>15 684 605,42</b>
Production to own use	73 517,00	0,00
Other operating income	1 313 369,00	872 178,58
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	-43 910,17	-91 733,24
External services	-9 787 838,66	-8 192 811,46
	-9 831 748,83	-8 284 544,70
Personnel expenses		
Wages and salaries	-5 257 250,16	-4 983 597,57
Social security expenses		
Pension expenses	-915 304,57	-868 330,70
Other social security expenses	-202 181,66	-221 279,63
	-6 374 736,39	-6 073 207,90
Depreciation, amortisation and write-offs		
Depreciation and amortisation according to plan	-201 829,14	-228 613,78
Reductions of capitalised long-term expenses	-526 651,04	0,00
	-728 480,18	-228 613,78
Other operating expenses	-2 840 635,31	-1 435 599,22
<b>OPERATING PROFIT (LOSS)</b>	<b>-853 750,75</b>	<b>534 818,40</b>
Financial income and expenses		
Financial income		
Interest and other financial income		
From group undertakings	117 936,81	59 851,35
From others	28,94	434,82
Financial expenses		
Reduction in value, other securities	-60 084,55	0,00
Interest and other financial expenses		
To others	-109 267,58	-2 304 461,55
Financial income and expenses total	-51 386,38	-2 244 175,38
<b>PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES</b>	<b>-905 137,13</b>	<b>-1 709 356,98</b>
Income taxes		
Income taxes	0,00	-3 526,35
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>	<b>-905 137,13</b>	<b>-1 712 883,33</b>

PARENT BALANCE SHEET

EURO	Parent 31/12/2022	Parent 31/12/2021
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets		
Development expenditure	57 060,64	718 916,21
	<u>57 060,64</u>	<u>718 916,21</u>
Tangible assets		
Machinery and equipment	28 691,92	38 255,89
	<u>28 691,92</u>	<u>38 255,89</u>
Investments		
Holdings in group undertakings	8 673 149,94	7 529 538,26
	<u>8 673 149,94</u>	<u>7 529 538,26</u>
<b>NON-CURRENT ASSETS TOTAL</b>	<b>8 758 902,50</b>	<b>8 286 710,36</b>
<b>CURRENT ASSETS</b>		
Short-term debtors		
Trade debtors	2 240 592,03	1 528 348,90
Amounts owed by group undertakings	8 225 435,68	2 437 812,94
Other debtors	13 532,00	1 940,00
Subscribed capital unpaid	15 822,00	0,00
Prepayments and accrued income	3 502 649,49	1 835 369,33
	<u>13 998 031,20</u>	<u>5 803 471,17</u>
Securities		
Other securities	8 621 895,21	0,00
	<u>8 621 895,21</u>	<u>0,00</u>
Cash in hand and at banks	2 894 872,78	17 785 589,77
<b>CURRENT ASSETS TOTAL</b>	<b>25 514 799,19</b>	<b>23 589 060,94</b>
<b>ASSETS TOTAL</b>	<b>34 273 701,69</b>	<b>31 875 771,30</b>

PARENT BALANCE SHEET

EURO	Parent 31/12/2022	Parent 31/12/2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	80 000,00	80 000,00
Invested unrestricted equity reserve	28 010 653,69	27 964 555,69
Retained earnings (loss)	-1 568 078,19	144 805,14
Profit (loss) for the financial year	-905 137,13	-1 712 883,33
<b>EQUITY TOTAL</b>	<b>25 617 438,37</b>	<b>26 476 477,50</b>
<b>LIABILITIES</b>		
Non-current liabilities		
Loans from credit institutions	2 271 371,00	1 314 371,00
	<u>2 271 371,00</u>	<u>1 314 371,00</u>
Current liabilities		
Loans from credit institutions	243 000,00	156 194,33
Trade creditors	1 748 827,53	1 064 098,18
Amounts owed to group undertakings	222 906,99	203 733,25
Other creditors	677 871,34	394 704,21
Accruals and deferred income	3 492 286,46	2 266 192,83
	<u>6 384 892,32</u>	<u>4 084 922,80</u>
<b>LIABILITIES TOTAL</b>	<b>8 656 263,32</b>	<b>5 399 293,80</b>
<b>EQUITY AND LIABILITIES TOTAL</b>	<b>34 273 701,69</b>	<b>31 875 771,30</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Digital Workforce is the world's leading service company specializing in industrial-level software robotics and intelligent automation, measured by turnover, service offering, customer references and number of employees. Digital Workforce helps its customers to automate business processes and information work tasks by providing them with business process planning expertise and the implementation of process automation.

### Notes on the preparation of the Consolidated Financial Statements, incl parent company

The financial statements have been prepared in accordance with the accrual basis, the going concern principle and the precautionary principle independent of the result for the financial year. The company has prepared financial statements that go beyond the minimum provisions in accordance with the presentation in accordance with the Accounting Regulation, as applicable. The financial statements are presented in euros.

### Going concern

The Consolidated Financial Statements have been prepared in accordance with the going concern principle.

### Consolidation principles

Digital Workforce Services Oyj's Consolidated Financial Statements include the parent company Digital Workforce Services Oyj and all its subsidiaries. The Group's mutual shareholding has been eliminated using the acquisition cost method. Acquired subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases. All intra-group transactions, receivables, liabilities and unrealized gains, as well as internal profit distribution, have been eliminated in the preparation of the Consolidated Financial Statements.

### Conversion of foreign currency items

The income statement data of foreign group companies have been translated into euros in accordance with the average exchange rate for the financial year and the balance sheet data according to the exchange rate on the closing date of the financial year. The translation of the result for the financial year at different exchange rates in the income statement and balance sheet causes a translation difference, the change of which is recognized in equity. The translation difference also consists of the difference between the initial acquisition cost of the subsidiaries' investments and the exchange rate on the balance sheet date.

### Revenue recognition principles

The Group's revenue consist mainly of consulting services related to software robotics and ongoing services. Consulting services are recognized as income when the services are provided. Revenue from continuing services is amortized over the contract period.

### Valuation principles and methods

Trade, loan and other receivables as well as prepayments and accrued income recorded as receivables are valued at their nominal value or a lower probable value. Financial securities are valued at their acquisition cost or a lower probable transfer price.

Liabilities are valued at their nominal value or at a higher benchmark value.

The acquisition costs of non-current assets with a probable economic life of less than three years and minor acquisitions (less than EUR 1 200) have been recognized in full as an expense during the acquisition period. Group goodwill is recorded in intangible assets and is amortized over 10 years. Subsidiary shares are valued at their acquisition cost or lower probable value.

The acquisition costs of intangible and tangible assets included in the company's fixed assets are depreciated according to a pre-established plan. Depreciation is adjusted for tax depreciation. Depending on the depreciation method, an amount corresponding to the maximum allowable depreciation or residual depreciation is recognized as an expense for the financial year.

### Research and development expenditure

The Group records research costs, such as the acquisition and surveying of new information, as an expense on an accrual basis, ie at the time the costs are incurred. Product development costs that generate income for three or more years are capitalized in the balance sheet as development costs and are depreciated over 3-5 years. Capitalized development costs include those subcontracting costs that are directly attributable to bringing the asset to its working condition for its intended use. Development costs are depreciated on a straight-line basis over 3-5 years according to plan. The capitalized balance of development costs at the end of the financial year is EUR 57 060,64. The depreciation of the development expenses for the financial year 2022 is a total of EUR 192 265,17, and the deductions and the accumulated depreciation related to the deductions are a total of EUR 632 324,04.



## NOTES TO THE PROFIT AND LOSS STATEMENT

## Revenue by geographical area

	2022		2021	
	Group	Parent	Group	Parent
Finland	12 062 139,07	12 062 139,07	11 498 683,16	11 498 683,16
Sweden	4 921 603,91	1 626 838,13	4 733 489,98	1 337 114,15
Norway	1 209 199,13	522 026,00	1 151 650,62	392 536,25
Denmark	1 796 809,66	1 138 981,00	1 959 104,41	908 607,05
Poland	113 754,88	103 839,56	221 413,00	113 400,09
Other EU	1 699 239,17	965 920,55	1 089 097,72	839 497,37
Outside EU	3 667 327,17	1 115 219,65	1 708 332,92	594 767,35
<b>Total</b>	<b>25 470 072,99</b>	<b>17 534 963,96</b>	<b>22 361 771,80</b>	<b>15 684 605,42</b>

## Other operating income

	2022		2021	
	Group	Parent	Group	Parent
Management fees from group undertakings	0,00	829 235,00	0,00	853 514,93
Received subsidies	484 134,00	484 134,00	0,00	0,00
Other	8 008,52	0,00	36 785,59	18 663,65
<b>Total</b>	<b>492 142,52</b>	<b>1 313 369,00</b>	<b>36 785,59</b>	<b>872 178,58</b>

## Exceptional items in the profit and loss statement

The company has booked a grant from Business Finland in 2022 totaling EUR 589 807,00, of which EUR 484 134,00 has been booked in other business income and EUR 105 673,00 has been booked as a reduction of development expenses.

Other exceptional items are restructuring, corporate reorganization and write-down costs, which total EUR 911 149,20.

## Raw materials and services

Expenses are recognized on an accrual basis when the company has received the goods or services.

	2022		2021	
	Group	Parent	Group	Parent
Purchases during the financial year	-43 965,32	-43 910,17	-93 394,74	-91 733,24
External services	-7 634 597,67	-9 787 838,66	-6 224 538,21	-8 192 811,46
<b>Total</b>	<b>-7 678 562,99</b>	<b>-9 831 748,83</b>	<b>-6 317 932,95</b>	<b>-8 284 544,70</b>

## Notes to the staff

## Personnel expenses

	2022		2021	
	Group	Parent	Group	Parent
Wages and salaries	-12 394 047,84	-5 257 250,16	-11 176 426,40	-4 983 597,57
Pension expenses	-1 347 927,08	-915 304,57	-1 276 523,58	-868 330,70
Other social security expenses	-914 919,97	-202 181,66	-959 728,19	-221 279,63
<b>Total</b>	<b>-14 656 894,89</b>	<b>-6 374 736,39</b>	<b>-13 412 678,17</b>	<b>-6 073 207,90</b>

## Personnel

	2022		2021	
	Group	Parent	Group	Parent
Average number of persons employed during the financial year				
White-collar	193	67	191	69

## Management salaries and fees

	2022		2021	
	Group	Parent	Group	Parent
CEO	-334 487,17	-334 487,17	-91 106,80	-91 106,80
Management team	-925 570,40	-925 570,40	-849 194,41	-849 194,41
<b>Total</b>	<b>-1 260 057,57</b>	<b>-1 260 057,57</b>	<b>-940 301,21</b>	<b>-940 301,21</b>

## Remuneration of key personnel

The company has management-related statutory pension arrangements and commitments, which have been managed with a defined contribution pension insurance (TyEL). The company's management has an option program and a long-term share-based incentive system. The CEO's salary includes a severance pay.

Board members have been paid EUR 100 426,00 in fees in the 2022 fiscal year (EUR 3 334,00 in 2021).

**Auditor's fees**

	2022		2021	
	Group	Parent	Group	Parent
Audit fees	-65 443,89	-37 151,50	-98 337,86	-61 900,00
Other services	-3 082,23	-1 350,00	-152 914,48	-148 880,76
<b>Total</b>	<b>-68 526,12</b>	<b>-38 501,50</b>	<b>-251 252,34</b>	<b>-210 780,76</b>

**Depreciation, amortisation and write-offs**

	2022		2021	
	Group	Parent	Group	Parent
Depreciation and amortisation according to plan				
Development expenses	-192 265,17	-192 265,17	-212 771,39	-212 771,39
Intangible rights	0,00	0,00	-3 090,40	-3 090,40
Machinery and equipment	-23 538,58	-9 563,97	-40 942,39	-12 751,99
Other tangible assets	-6 321,20	0,00	-6 323,34	0,00
Group goodwill amortisation	-64 124,75	0,00	0,00	0,00
Reductions of capitalised long-term expenses	-536 672,42	-526 651,04	0,00	0,00
<b>Total</b>	<b>-822 922,12</b>	<b>-728 480,18</b>	<b>-263 127,52</b>	<b>-228 613,78</b>

Reductions of capitalised long-term expenses include write-downs of development costs.

**Financial income and expenses**

	2022		2021	
	Group	Parent	Group	Parent
Interest income from loans to group undertakings	0,00	117 936,81	0,00	59 851,35
Interest and other financial income	5 539,01	28,94	434,82	434,82
Foreign exchange gains	91 929,33	0,00	25 505,29	0,00
<b>Financial income total</b>	<b>97 468,34</b>	<b>117 965,75</b>	<b>25 940,11</b>	<b>60 286,17</b>
Reduction in value, other securities	-60 084,55	-60 084,55	0,00	0,00
<b>Reduction in value, other securities</b>	<b>-60 084,55</b>	<b>-60 084,55</b>	<b>0,00</b>	<b>0,00</b>
Interest expenses	-72 013,17	-38 098,52	-29 845,31	-26 915,79
Other financial expenses	-72 585,37	-71 169,06	-2 283 439,17	-2 277 545,76
Foreign exchange losses	-275 068,31	0,00	-21 094,98	0,00
<b>Financial expenses total</b>	<b>-419 666,85</b>	<b>-109 267,58</b>	<b>-2 334 379,46</b>	<b>-2 304 461,55</b>
<b>Financial income and expenses total</b>	<b>-382 283,06</b>	<b>-51 386,38</b>	<b>-2 308 439,35</b>	<b>-2 244 175,38</b>

Other financial expenses include in 2021 EUR 2 155 488,92 of expenses relating to the IPO.

**Income taxes**

	2022		2021	
	Group	Parent	Group	Parent
Income taxes on ordinary activities	-19 239,33	0,00	-50 319,73	-3 526,35
<b>Total</b>	<b>-19 239,33</b>	<b>0,00</b>	<b>-50 319,73</b>	<b>-3 526,35</b>

## NOTES TO THE BALANCE SHEET ASSETS

## Intangible / tangible assets

	2022		2021	
	Group	Parent	Group	Parent
Development expenses 1.1.	1 373 195,71	1 373 195,71	1 373 195,71	1 373 195,71
Additions	162 733,64	162 733,64	0,00	0,00
Deductions	-1 063 220,34	-1 063 220,34	0,00	0,00
Acquisition cost 31.12.	472 709,01	472 709,01	1 373 195,71	1 373 195,71
Accumulated depreciations 1.1.	-654 279,50	-654 279,50	-441 508,11	-441 508,11
Accumulated depreciations related to the deductions	430 896,30	430 896,30	0,00	0,00
Depreciation of the financial year	-192 265,17	-192 265,17	-212 771,39	-212 771,39
Development expenses - book value 31.12.	57 060,64	57 060,64	718 916,21	718 916,21
Intangible rights 1.1.	12 361,40	12 361,40	12 361,40	12 361,40
Acquisition cost 31.12.	12 361,40	12 361,40	12 361,40	12 361,40
Accumulated depreciations 1.1.	-12 361,40	-12 361,40	-9 271,00	-9 271,00
Depreciation of the financial year	0,00	0,00	-3 090,40	-3 090,40
Intangible rights - book value 31.12.	0,00	0,00	0,00	0,00
Group goodwill 1.1.	0,00	0,00	0,00	0,00
Additions	1 538 993,95	0,00	0,00	0,00
Acquisition cost 31.12.	1 538 993,95	0,00	0,00	0,00
Accumulated depreciations 1.1.	0,00	0,00	0,00	0,00
Depreciation of the financial year	-64 124,75	0,00	0,00	0,00
Group goodwill - book value 31.12.	1 474 869,20	0,00	0,00	0,00
Machinery and equipment 1.1.	211 496,07	85 437,60	176 164,36	55 981,30
Translation difference	-5 121,02	0,00	-4 014,01	0,00
Additions	10 687,47	0,00	39 345,72	29 456,30
Deductions	-73 838,77	0,00	0,00	0,00
Acquisition cost 31.12.	143 223,75	85 437,60	211 496,07	85 437,60
Accumulated depreciations 1.1.	-150 977,29	-47 181,71	-113 446,45	-34 429,72
Translation difference	4 183,05	0,00	3 411,56	0,00
Accumulated depreciations related to the deductions	63 817,39	0,00	0,00	0,00
Depreciation of the financial year	-23 538,58	-9 563,97	-40 942,39	-12 751,99
Machinery and equipment - book value 31.12.	36 708,32	28 691,92	60 518,78	38 255,89
Other tangible assets 1.1.	19 498,14	0,00	19 486,35	0,00
Translation difference	-0,27	0,00	11,79	0,00
Acquisition cost 31.12.	19 497,87	0,00	19 498,14	0,00
Accumulated depreciations 1.1.	-8 431,32	0,00	-2 106,15	0,00
Translation difference	-2,50	0,00	-1,83	0,00
Depreciation of the financial year	-6 321,20	0,00	-6 323,34	0,00
Other tangible assets 31.12.	4 742,85	0,00	11 066,82	0,00
<b>Investments</b>				
Holdings in group undertakings				
Book value 1.1.	0,00	7 529 538,26	0,00	5 648 355,21
Additions	0,00	1 143 611,68	0,00	1 881 183,05
Book value 31.12.	<b>0,00</b>	<b>8 673 149,94</b>	<b>0,00</b>	<b>7 529 538,26</b>

**Group companies**

The Group's parent company is Digital Workforce Services Oyj, domiciled in Helsinki.

The group's parent company established a new subsidiary Digital Workforce Ireland Limited (100% ownership) on 16 June 2022, which acquired 100% ownership of The Eclair Group (Ireland) Limited on 19 July 2022. The companies have been consolidated into the group since these dates.

Group subsidiaries:	Country	Parent ownership		Group ownership	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Digital Workforce Svenska AB	Sweden	100 %	100 %	100 %	100 %
Digital Workforce SP.Z.O.O.	Poland	100 %	100 %	100 %	100 %
Digital Workforce AS	Norway	100 %	100 %	100 %	100 %
Digital Workforce A/S	Denmark	100 %	100 %	100 %	100 %
Digital Workforce Services Ltd	UK	100 %	100 %	100 %	100 %
Digital Workforce Services, Inc.	USA	100 %	100 %	100 %	100 %
DWF Digital Workforce Services GmbH	Germany	100 %	100 %	100 %	100 %
Digital Workforce Ireland Limited	Ireland	100 %	0 %	100 %	0 %
The Eclair Group (Ireland) Limited	Ireland	0 %	0 %	100 %	0 %

**Short-term debtors**

	2022		2021	
	Group	Parent	Group	Parent
Trade debtors	4 428 068,09	2 240 592,03	3 805 154,21	1 528 348,90
Amounts owed by group undertakings	0,00	8 225 435,68	0,00	2 437 812,94
Other debtors	48 113,46	13 532,00	56 306,49	1 940,00
Subscribed capital unpaid	15 822,00	15 822,00	0,00	0,00
Prepayments and accrued income	3 688 916,16	3 502 649,49	2 127 086,48	1 835 369,33
<b>Total</b>	<b>8 180 919,71</b>	<b>13 998 031,20</b>	<b>5 988 547,18</b>	<b>5 803 471,17</b>

**Amounts owed by group undertakings**

	2022	2021
Trade debtors	0,00	5 061 437,71
Other debtors	0,00	3 163 997,97
<b>Total</b>	<b>0,00</b>	<b>8 225 435,68</b>

Other receivables include a EUR 1,2M receivable from Digital Workforce Ireland Limited, which is related to the acquisition of The Eclair Group (Ireland) Limited. Short-term receivables also include unpaid interest receivables accrued on loans.

**Materials items included in the prepayments**

	2022		2021	
	Group	Parent	Group	Parent
Accrued personnel expenses	2 339,35	2 339,35	2 704,57	2 704,57
Prepaid license fees and other expenses	3 131 179,62	2 980 773,14	2 120 969,83	1 829 252,68
Accrued Business Finland subsidy	519 537,00	519 537,00	0,00	0,00
Other prepayments and accrued income	35 860,19	0,00	3 412,08	3 412,08
<b>Total</b>	<b>3 688 916,16</b>	<b>3 502 649,49</b>	<b>2 127 086,48</b>	<b>1 835 369,33</b>

**Material items included in the cash assets**

	2022		2021	
	Group	Parent	Group	Parent
Muut arvopaperit	8 621 895,21	8 621 895,21	0,00	0,00
Rahat ja pankkisaamiset	9 516 876,43	2 894 872,78	19 753 101,29	17 785 589,77
<b>Total</b>	<b>18 138 771,64</b>	<b>11 516 767,99</b>	<b>19 753 101,29</b>	<b>17 785 589,77</b>

During the financial year, the company has invested funds in a short-term investment fund, which aims to avoid the effect of a negative account interest rate. The funds can be liquidated if necessary.

## NOTES TO THE BALANCE SHEET EQUITY AND LIABILITIES

## Equity

	2022		2021	
	Group	Parent	Group	Parent
Share capital 1.1.	80 000,00	80 000,00	25 000,00	25 000,00
Additions	0,00	0,00	55 000,00	55 000,00
<b>Share capital 31.12.</b>	<b>80 000,00</b>	<b>80 000,00</b>	<b>80 000,00</b>	<b>80 000,00</b>
Invested unrestricted equity reserve 1.1.	27 964 555,69	27 964 555,69	5 446 970,00	5 446 970,00
Additions	46 098,00	46 098,00	22 517 585,69	22 517 585,69
<b>Invested unrestricted equity reserve 31.12.</b>	<b>28 010 653,69</b>	<b>28 010 653,69</b>	<b>27 964 555,69</b>	<b>27 964 555,69</b>
Translation difference 1.1.	28 324,89	0,00	100 320,00	0,00
Change in translation difference	88 019,80	0,00	-71 995,11	0,00
<b>Translation difference 31.12.</b>	<b>116 344,69</b>	<b>0,00</b>	<b>28 324,89</b>	<b>0,00</b>
<b>Retained earnings (loss) 31.12</b>	<b>-9 758 727,22</b>	<b>-1 568 078,19</b>	<b>-6 180 928,03</b>	<b>144 805,14</b>
<b>Profit (loss) for the financial year</b>	<b>-3 009 127,05</b>	<b>-905 137,13</b>	<b>-3 577 799,19</b>	<b>-1 712 883,33</b>
<b>Total</b>	<b>15 439 144,11</b>	<b>25 617 438,37</b>	<b>18 314 153,36</b>	<b>26 476 477,50</b>

## Calculation of distributable funds

	31/12/2022	31/12/2021
Share capital	80 000,00	80 000,00
<b>Restricted funds total</b>	<b>80 000,00</b>	<b>80 000,00</b>
Invested unrestricted equity reserve	28 010 653,69	27 964 555,69
Retained earnings (loss)	-1 568 078,19	144 805,14
Profit (loss) for the financial year	-905 137,13	-1 712 883,33
Unrestricted equity at the end of the period	<b>25 537 438,37</b>	<b>26 396 477,50</b>
- Capitalized development expenses	<b>-57 060,64</b>	<b>-718 916,21</b>
<b>Distributable funds total</b>	<b>25 480 377,73</b>	<b>25 677 561,29</b>

## The proposal of the Board concerning the profit and other distributable equity

The Board proposes that the loss of EUR 905 137,13 for the financial year will be transferred to retained earnings account and no dividends will be paid.

**The number of the company's shares by share class and the main provisions of the Articles of Association that apply to each share class**

The number of shares at the end of the financial year was 11 182 788 (11 020 023). The company has one share class. All the company's shares carry one vote at the Annual General Meeting. The company's shares are subject to a redemption clause, in which the company has the primary right of redemption and the shareholders the secondary right.

**Structural and financial arrangements****Options and other special rights**

The issuance of special rights has been decided on 5 May 2017. The maximum number of shares to be issued with the rights is 246 400. The decision has been updated on 14 October 2021 and 1 December 2021.

The issuance of special rights has been decided on 22 October 2018. The maximum number of shares to be issued with the rights is 222 600. The decision has been updated on 14 October 2021 and 1 December 2021.

The issuance of special rights has been decided on 15 September 2020. The maximum number of shares to be issued with the rights is 140 000. The decision has been updated on 14 October 2021 and 1 December 2021.

The issuance of special rights has been decided on 26 April 2022. The maximum number of shares to be issued with the rights is 70 652.

After the end of the financial year, shares were subscribed with stock options 2017, 2018 and 2020. Digital Services Oyj's stock options 2017, 2018 and 2020 have been used to subscribe a total of 28 755 new company shares on 31 January 2023. A total of 5 580 new company shares have been subscribed for with the 2017 stock options, a total of 6 750 new company shares have been subscribed for with the 2018 stock options, and a total of 16 425 new company shares have been subscribed for with the 2020 stock options. The subscription price of EUR 15 822,00 for subscriptions made with stock options is recorded in its entirety in the invested unrestricted equity fund.

After registration in the trade register, the total number of shares is 11 211 543 shares.

The shares subscribed based on the option rights were registered in the trade register on 14 February 2023. New shares give their owners the rights of a shareholder from the date of registration. The shares will be traded on NASDAQ Helsinki Oy together with the old shares from 15 February 2023.

**Authorization**

The Annual General Meeting has on 14 October 2021 authorized the Board of Directors to decide on the share issue and the issuance of special rights entitling to shares. A maximum of 1 500 000 shares may be issued under the authorization.

**Performance-based Matching Share Plan**

The company has a long-term performance-based matching share plan, which was introduced at the time of the IPO. The purpose of the incentive plan is to align the objectives of Digital Workforce's shareholders and key employees to increase the value of the company's shares over the long term, to engage key employees in the implementation of the company's strategy and to provide them with a competitive remuneration scheme based on the earning and accumulation of the company's shares.

The incentive plan is based on a participant's investment in the company's shares, which allow the participant to earn additional shares as a reward for continued share ownership and continued employment and for achieving performance-based goals set by the Board of Directors. The plan consists of vesting periods 2022-2024, 2023-2025 and 2024-2026. The Board of Directors of the company separately determines the vesting criteria, the targets to be set for each criterion, the target group of the incentive plan and the vesting opportunity for each vesting period. The potential reward for each performance period will be paid in the form of company shares after the end of the performance period. If the key person's employment ends before the award is paid, the award will not normally be paid.

The vesting criterion for the 2022-2024 performance period is based on total shareholder return (TSR). The target group for the performance period at the balance sheet date is estimated to comprise approximately 20 individuals, including members of company's management team. The maximum award amount for the target group is approximately 138,000 shares in total. The total current value of the 2022-2024 vesting period is up to approximately EUR 0.5 million, estimated at the average exchange rate at the last trading day of the reporting period, assuming that the participants meet the investment condition in full.

LIITETIEDOT

Tilikausi 1.1.2022-31.12.2022

	2022		2021	
	Group	Parent	Group	Parent
Loans from credit institutions	2 271 371,00	2 271 371,00	1 314 371,00	1 314 371,00
<b>Total</b>	<b>2 271 371,00</b>	<b>2 271 371,00</b>	<b>1 314 371,00</b>	<b>1 314 371,00</b>

Due in over 5 years 150 000,00 150 000,00 411 592,75 411 592,75

**Current liabilities**

	2022		2021	
	Group	Parent	Group	Parent
Loans from credit institutions	243 000,00	243 000,00	156 194,33	156 194,33
Advances received	71 825,15	0,00	46 888,87	0,00
Trade creditors	1 914 096,71	1 748 827,53	1 204 393,07	1 064 098,18
Amounts owed to group undertakings	0,00	222 906,99	0,00	203 733,25
Other creditors	1 941 407,23	677 871,34	1 153 720,32	394 704,21
Accruals and deferred income	6 037 133,12	3 492 286,46	4 354 136,31	2 266 192,83
<b>Total</b>	<b>10 207 462,21</b>	<b>6 384 892,32</b>	<b>6 915 332,90</b>	<b>4 084 922,80</b>

**Amounts owed to group undertakings**

Trade creditors	0,00	210 177,99	0,00	191 104,25
Other creditors	0,00	12 729,00	0,00	12 629,00
<b>Total</b>	<b>0,00</b>	<b>222 906,99</b>	<b>0,00</b>	<b>203 733,25</b>

**Materials items included in the accruals**

	2022		2021	
	Group	Parent	Group	Parent
Accrual of personnel expenses	1 770 058,58	1 305 876,76	1 668 361,77	1 102 231,49
Interest	11 970,02	11 970,02	9 516,81	9 516,81
Other accruals	4 255 104,52	2 174 439,68	2 676 257,72	1 154 444,53
<b>Total</b>	<b>6 037 133,12</b>	<b>3 492 286,46</b>	<b>4 354 136,31</b>	<b>2 266 192,83</b>

The license accruals included in other accrued liabilities are actually advances received.

## OTHER NOTES

**Deferred taxes**

In accordance with the precautionary principle, the Group has not recognized deferred tax assets for confirmed losses. The Group has confirmed losses of EUR 11,6M in 2022 and EUR 10,3M in 2021. Deferred tax assets are presented in the table below.

	2022		2021	
	Group	Parent	Group	Parent
Deferred taxes	2 418 200,62	315 066,60	2 166 476,60	335 481,87
<b>Total</b>	<b>2 418 200,62</b>	<b>315 066,60</b>	<b>2 166 476,60</b>	<b>335 481,87</b>

The losses for 2022 have not yet been approved by the tax authorities in any of the group companies. The 2022 losses account for EUR 398 669,27 of the total deferred tax assets.

**Collateral, contingent liabilities and other liabilities****Off-balance sheet financial liabilities****Lease liabilities for premises**

	2022		2021	
	Group	Parent	Group	Parent
Payable in the next financial year	395 686,29	79 359,84	318 246,16	76 433,58
Payable later	325 220,80	0,00	0,00	0,00
<b>Total</b>	<b>720 907,09</b>	<b>79 359,84</b>	<b>318 246,16</b>	<b>76 433,58</b>

**Other leasing liabilities**

	2022		2021	
	Group	Parent	Group	Parent
Payable in the next financial year	69 953,44	61 297,98	65 641,19	48 329,64
Payable later	57 333,30	54 448,14	57 826,62	47 223,62
<b>Total</b>	<b>127 286,74</b>	<b>115 746,12</b>	<b>123 467,81</b>	<b>95 553,26</b>

**Other liabilities**

	2022		2021	
	Group	Parent	Group	Parent
Loans from credit institutions 31.12.	1 200 000,00	1 200 000,00	38 194,33	38 194,33
Business mortgages pledged as collateral	1 400 000,00	1 400 000,00	1 200 000,00	1 200 000,00
<b>Total</b>	<b>1 400 000,00</b>	<b>1 400 000,00</b>	<b>1 200 000,00</b>	<b>1 200 000,00</b>

**Related party transactions**

The parties are considered to be related if the other party is able to exercise control or significant influence or joint control over the other party in making decisions about its finances and business. The Company's related parties include the Company's subsidiaries. In addition, related parties include the members of the Company's Board of Directors, the CEO and members of the Management Team, close family members of these persons and entities that are controlled or jointly controlled by a related party. The company has no significant related party transactions between the financial years 2021 and 2022. Information on the remuneration and benefits paid to the members of the Board of Directors and the Management Team is presented in the note Remuneration of key personnel.

**Events after the financial year**

Jussi Vasama's starting date as new CEO of Digital Workforce Services Plc has been agreed. He will start in his position on March 27, 2023.

In addition, the group announced that it has entered a contract to deliver professional business process automation services and staff augmentation to one of the most prestigious healthcare business networks in the US.

On 1 February 2023, the company announced that the Board of Directors approved the participation of approximately 30 key employees in the performance-based matching share plan 2022-2026 for the performance period 2023-2025. During the performance period 2023-2025, the rewards are based on the Group's Total Shareholder Value (TSR) of the Digital Workforce Services share for the financial years 2023-2025. The gross rewards to be paid on the basis of the Performance Period 2023-2025 correspond to the value of an approximate maximum total of 458.000 shares of Digital Workforce Services Plc. The current aggregate maximum value of the performance period 2023-2025, estimated based on the average share price of the last trading day preceding the announcement date and assuming that the eligible participants fulfil the investment requirement in full, is approximately EUR 1.9 million.



## Signatures of the Board report and the Financial Statements

Place: \_\_\_\_\_

Date: \_\_\_\_ : \_\_\_\_ : \_\_\_\_\_

\_\_\_\_\_  
Länsisyrjä Heikki Juha Tapio  
Toimitusjohtaja  
Hallituksen jäsen

\_\_\_\_\_  
Bergqvist Jukka Tapani  
Hallituksen puheenjohtaja

\_\_\_\_\_  
Ahopelto Timo Mika Juhani  
Hallituksen jäsen

\_\_\_\_\_  
Auramo Marika Tuulikki  
Hallituksen jäsen

\_\_\_\_\_  
Mikkola Juha Väinö Tapani  
Hallituksen jäsen

\_\_\_\_\_  
Niemistö Leena Katriina  
Hallituksen jäsen

\_\_\_\_\_  
Virkkunen Jukka Tapani  
Hallituksen jäsen

## Auditor's note

Our auditor's report has been issued today.

Place: \_\_\_\_\_

Date: \_\_\_\_ : \_\_\_\_ : \_\_\_\_\_

KPMG Oy Ab

\_\_\_\_\_  
Aaltonen Toni Kalervo, KHT

