

Dovre Group Plc

Financial Statement Release

Feb 20, 2020 at 8.45 am

DOVRE GROUP'S FINANCIAL STATEMENT RELEASE 1.1.–31.12.2019: Annual net sales grew by 27% and operating profit increased by 401% to 2.7 million euros

Last year's corresponding period in parentheses.

July–December 2019

- Net sales grew to EUR 44.9 (32.7) million – half of the 37.3% increase is explained by the Tech4Hire acquisition.
 - Project Personnel: net sales totaled EUR 41.8 (29.8) million – increase of 40.2%.
 - Consulting: net sales totaled EUR 3.1 (2.9) million – increase of 8.0%.
- Operating result improved to EUR 2.2 (0.4) million and includes EUR 0.7 (0.0) million of non-recurring items.
- Profit before tax was EUR 2.2 (1.0) million including EUR 0.1 (0.6) million of finance items.
- Result for the period improved to EUR 1.9 (0.9) million.
- Earnings per share EUR 0.018 (0.009).
- Net cash flow from operating activities increased to EUR 2.7 (1.8) million.

January–December 2019

- Net sales grew to EUR 83.1 (65.5) million – nearly half of the 27.0% increase is explained by Tech4Hire acquisition.
 - Project Personnel: Net sales totaled EUR 77.0 (59.7) million – increase of 29.1%.
 - Consulting: Net sales totaled EUR 6.1 (5.8) million – increase of 5.6%.
- Operating result improved to EUR 2.7 (0.5) million and includes EUR 0.7 (0.0) million of non-recurring items.
- Profit before tax improved to EUR 2.6 (1.1) million including EUR -0.1 (0.6) million of finance items.
- Result for the period improved to EUR 2.1 (0.8) million.
- Earnings per share EUR 0.021 (0.008).
- Net cash flow from operating activities grew to EUR 1.3 (1.1) million
- Board of Directors proposes to the Annual General Meeting (AGM) to be held on April 28, 2020 that a dividend of EUR 0.01 (0.01) per share will be paid.

Outlook for 2020 (unchanged, published January 30, 2020):

Net sales and operating profit in 2020 are expected to improve compared to 2019 excluding non-recurring items.

GROUP'S KEY FIGURES

EUR million	7-12 2019	7-12 2018	Change %	1-12 2019	1-12 2018	Change %
Net sales	44.9	32.7	37.3	83.1	65.5	27.0
Operating result	2.2	0.4	405.9	2.7	0.5	401.4
% of net sales	4.8	1.3		3.3	0.8	
Profit before taxes	2.2	1.0	115.5	2.6	1.1	149.7
% of net sales	4.9	3.1		3.2	1.6	
Result for the period	1.9	0.9	104.2	2.1	0.8	147.6
% of the net sales	4.2	2.8		2.5	1.3	
Net cash flow from operating activities	2.7	1.8	46.6	1.3	1.1	19.5
Net debt	0.0	-1.7	-102.3	0.0	-1.7	-102.3
Debt-equity ratio (Gearing), %	0.2	-7.8	-102.1	0.2	-7.8	-102.1
Earnings per share, EUR						
Undiluted	0.018	0.009	102.1	0.021	0.008	145.1
Diluted	0.018	0.009	102.1	0.021	0.008	145.1

CEO ARVE JENSEN:

"Financial period proceeded according to our expectations and we managed to grow our business profitably due to the organic growth and Tech4Hire-acquisition. Profitable growth which started in the first half of the year 2019 continued in Q4 2019. All units had higher sales figures than in 2018, and consequently both business areas Project Personnel and Consulting achieved growth in net sales. Positive market situation, deepening of long-term client relationships and recent frame agreements are the main reasons behind the growth.

The sale of Kuukoti office building in September improved our cash flow and reduced our annual operational costs by approximately 50,000 euros. Cost reductions made in previous years have a positive impact on profitability when we continue to grow in future.

New frame agreements which were made in 2019 in Norway with Nye Veier, Fornebubanen and Ministry of Finance strengthen our position within consulting and project management outside energy sector. Acquisition of Tech4hire strengthen Dovre towards the supplier industry in Norway.

After the reporting period we reorganized our business in Norway in order to strengthen Dovre's position even further. The new organizational structure combines those businesses that have specific features in the energy sector as one entity and those with core expertise in consulting as one entity. The new structure enables Dovre's personnel to utilize their expertise and full potential better in the management of customer projects and in developing Dovre's business. In addition we expanded our operations in the beginning of

February, 2020 to a new geographical area of western Russia by establishing a new subsidiary company in St. Petersburg (Dovre ooo).”

NET SALES AND PROFITABILITY

Net sales

In 2019, Dovre Group’s net sales increased by 27.0%, totaling EUR 83.1 (65.5) million. The growth derived from organic growth in both segments and from the acquisition of a Norwegian staffing and consultancy company Tech4Hire AS in Q2 2019. The acquisition of Tech4Hire increased Group’s net sales by EUR 8.2 million. Tech4Hire’s net sales are reported as part of the Group’s Project Personnel segment as of 1 May 2019.

Project Personnel accounted for 93 (91) % and Consulting for 7 (9) % of the Group’s net sales. Net sales for Project Personnel increased by 29.1%, totaling EUR 77.0 (59.7) million. Organic growth explains 15.4 percentage points of the segment’s total growth. Net sales for Consulting increased by 5.6 %, totaling EUR 6.1 (5.8) million, and it was driven solely by organic growth.

By market area, EMEA’s net sales totaled EUR 66.4 (50.0) million, accounting for 80 (76) % of the Group’s net sales during the year. Net sales for AMERICAS were EUR 9.6 (9.4) million, accounting for 11 (14) % of the Group’s net sales. Net sales for APAC were EUR 7.2 (6.0) million, accounting for 9 (9) % of the Group’s net sales.

In 2019, fluctuations in foreign currency exchange rates impacted revenues slightly. At constant currencies, the Group’s full year net sales would have grown by 28% compared to 2018.

Dovre signed significant frame agreements in 2019. In January, Dovre concluded an agreement with Nye Veier in Norway for the supply of strategic consulting services and operative project personnel in the areas of Project Management and HESQ (Health, Environment, Safety & Quality). In April, a framework agreement with the City of Oslo, Fornebubanen within project management, was signed. In July, the company, together with the Institute of Transport Economics, signed a framework agreement with the Norwegian Ministry of Finance for supply of external quality assurance for large public sector projects in Norway. Other new agreements remain confidential at the request of clients.

Net sales by reporting segment EUR million	7-12 2019	7-12 2018	Change %	1-12 2019	1-12 2018	Change %
Project Personnel	41.8	29.8	40.2	77.0	59.7	29.1
Consulting	3.1	2.9	8.0	6.1	5.8	5.6
Group total	44.9	32.7	37.3	83.1	65.5	27.0

Net sales by market area EUR million	7-12 2019	7-12 2018	Change %	1-12 2019	1-12 2018	Change %
EMEA	36.2	25.8	40.2	66.4	50.0	32.6
AMERICAS	4.9	4.6	6.3	9.6	9.4	2.2
APAC	3.9	2.3	66.8	7.2	6.0	19.1
Group total	44.9	32.7	37.3	83.1	65.5	27.0

Dovre Group's market areas are:

- EMEA: Norway, Middle-East, Finland
- AMERICAS: Canada, US
- APAC: Singapore

Dovre's other operating income totaled EUR 0.8 (0.0) million euros following the divestment of Kuukoti property in September. Employee benefit expenses increased broadly in line with the net sales, by 27.7% to EUR 75.6 (59.2) million. Adoption of IFRS 16 impacted depreciations and amortizations, which nearly doubled to EUR 0.9 (0.5) million euros.

Profitability

In 2019, the Group's operating result totaled EUR 2.7 (0.5) million, corresponding to 3.3 (0.8) % of net sales. Project Personnel's operating result was EUR 2.4 (1.5) million, including Tech4Hire's result from May onward as well as some EUR 0.1 million of transaction costs related to the Tech4Hire acquisition. Consulting business area's operating result was EUR 0.6 (0.4) million. The operating result of the Group's Other functions was EUR -0.1 (-1.1) million, including the sales gain of EUR 0.8 million from the divestment of Kuukoti property in September. The unallocated costs were EUR 0.3 (0.2) million.*

Operating result EUR million	7-12 2019	7-12 2018	Change %	1-12 2019	1-12 2018	Change %
Project Personnel	1.5	0.8	86.9	2.4	1.5	60.0
Consulting	0.4	0.1	191.5	0.6	0.4	62.8
Other functions	0.4	-0.4	180.1	-0.1	-1.1	94.4
Unallocated *	-0.2	-0.1	-48.7	-0.3	-0.2	-14.4
Group total	2.2	0.4	405.9	2.7	0.5	401.4

* Unallocated expenses include amortization of customer agreements and relations, expenses recorded as a result of adoption of IFRS 16 in 2019 and share-based compensation recognized as expense in the income statement in 2018.

Result

The Group's result before taxes was EUR 2.6 (1.1) million. Result included EUR -0.1 (0.6) million of finance items, including an income of EUR 0.2 million as a result of fair value of SaraRasa Bioindo investment through profit and loss. Dovre owns 19.9 % of Sararasa shares.

The Group's result for the period was EUR 2.1 (0.8) million. The Group's earnings per share was EUR 0.02 (0.01). The Group's return on average capital employed before taxes (ROI) was 10.3 (4.6) %.

CASH FLOW, FINANCING, AND INVESTMENTS

On December 31, the Group's balance sheet total was EUR 49.5 (37.5) million. Tech4Hire's balance sheet is consolidated with Dovre Group's as of June 30, 2019. The Group's cash flow includes Tech4Hire's cash flows from May 1, 2019. The Group's cash and cash equivalents totaled EUR 5.8 (5.0) million. In addition, the Group has unused credit limits.

At year-end, the equity ratio was 49.2 (59.1) % and the debt-equity ratio (gearing) 0.2 (-7.8) %. The interest-bearing liabilities amounted to EUR 5.8 (3.2) million, accounting for 11.8 (8.6) % of the Group's shareholders' equity and liabilities. The acquisition of Tech4Hire AS, completed in the second quarter of 2019, increased Dovre Group's interest-bearing liabilities and had an effect on the equity ratio and gearing. In addition, the adoption of IFRS 16 standard affected these indicators as Dovre Group used a simplified transition method and the comparable figures were not adjusted accordingly. A total of EUR 3.1 (2.8) million of the Group's interest-bearing liabilities were current and a total of EUR 2.7 (0.5) million non-current.

Net cash flow from operating activities was EUR 1.3 (1.1) million, which includes EUR -1.1 (0.2) million change in working capital. The increase in trade and other receivables, in particular, had an effect on the cash flow.

Net cash flow from investing activities was EUR -0.2 (-0.2) million. Gross investments totaled EUR 0.1 (0.2) million, proceeds from sale of tangible assets totaled EUR 1.6 (0.0) million, and business acquisition amounted to EUR -1.8 (0.0) million.

Net cash flow from financing activities was EUR -0.4 (-1.0) million. The change is related to the increase in long-term debt, amounting to EUR 1.7 million, used to finance the acquisition. In addition, there was a directed share issue totaling EUR 0.4 million in the first half of 2019. In the comparable period in 2018, the Group used EUR 0.2 million to acquire its own shares. During the period under review, the Group paid a total of EUR 1.0 (1.0) million in dividends. The balance sheet goodwill totaled EUR 17.4 (15.2) million on December 31. The increase of goodwill is related to the Tech4Hire acquisition in the second quarter. No indications of impairment exist.

CHANGES IN THE GROUP STRUCTURE

In January, Dovre Group announced that it will spin off and incorporate its Finnish ICT and Project Management function to a new company, Proha Oy, with an aim to form an efficient and focused ICT/Project Management company with its own identity and growth plans. Dovre Group owns 100% of the company, which started operations on April 1, 2019. All staff were transferred to the new company as old employees.

In March, Dovre Group announced its intention to acquire Norwegian staffing and consultancy company Tech4Hire AS. The deal was finalized in June and the final enterprise value for Tech4Hire AS shares amounted to NOK 23.6 million (around EUR 2.4 million), including NOK 3.6 million compensation for disposable cash. As part of the transaction, the sellers used NOK 4.0 million (EUR 0.4) to subscribe Dovre Group Plc shares. The sellers had the opportunity to receive an additional purchase price of NOK 0-10 million (EUR 0-1 million) if the agreed financial targets were met by the end of 2019. Part of the additional purchase price shall be used to subscribe for shares in the Dovre Group. As of December 31, 2019, the Dovre Group has recorded an additional consideration of NOK 10.3 million (EUR 1.1 million) as a liability. The additional purchase price will be paid in the first quarter of 2020. Tech4Hire was consolidated with Dovre Group as of April 30, 2019 and reported as part of the Project Personnel segment. In 2019, Tech4Hire recorded sales of NOK 115.7 million (around EUR 11.8 million) and an EBITDA of NOK 5.7 million (around EUR 0.6 million). The transactions cost related to the acquisition were around EUR 0.1 million.

RESEARCH AND PRODUCT DEVELOPMENT

The Group's research and development costs were EUR 0.2 (0.2) million, which equals 0.2 (0.2) % of the Group's net sales.

PERSONNEL

On December 31, Dovre Group employed 691 (495) people: 653 (453) of which were employed by Project Personnel, 35 (38) by Consulting, and 3 (4) by Other functions. The increase in number of employees was driven by the organic growth in Project Personnel business as well as from the acquisition of Tech4Hire.

During 2019, the average number of personnel employed by the Group was 620 (495). Project Personnel employed 580 (454) and Consulting 37 (36) people. In the Project Personnel business area 30 (29) % of employees were independent contractors.

Personnel, average	7-12 2019	7-12 2018	Change %	1-12 2019	1-12 2018	Change %
Project Personnel	644	451	42.8	580	454	27.8
Consulting	37	38	-2.6	37	36	2.8
Other functions	3	4	-25.0	3	5	-40.0
Group total	684	493	38.7	620	495	25.3

GROUP MANAGEMENT

There were no changes in the Group Executive Team during 2019. At the end of 2019, the Executive Team consists of Arve Jensen (CEO), Stein Berntsen (President, Consulting) and Mari Paski (CFO).

BOARD OF DIRECTORS

Dovre Group Plc's Annual General Meeting (AGM) held on March 27, 2019, decided that the number of Board members be set at four (4). Svein Stavelin, Ilari Koskelo and Antti Manninen were re-elected as members of the Board, and Kristine Larneng was elected as new members of the Board. Convening after the meeting, the Board elected Svein Stavelin as Chairman of the Board and Ilari Koskelo as Vice Chairman.

The AGM resolved that the chairman of the Board is paid EUR 35,000, the vice chairman of the Board EUR 25,000, and each other member of the Board EUR 22,000 per year. In addition, reasonable travel expenses are also compensated. The total amount of the annual compensation paid to Board members did not change from the previous year, but the method of payment was changed. The annual compensations were paid previously both in cash and shares, but the AGM in 2019 decided that compensation is paid only in cash for the term that ends in the 2020 AGM.

SHARES, SHAREHOLDERS, AND STOCK OPTIONS

Share capital and trading

On December 31, 2019, Dovre Group's share capital was EUR 9,603,084.48 and the total number of shares 101 946 747. The number of shares increased when, in connection with the Tech4Hire acquisition, Dovre Group issued 1,777,978 new shares to the sellers of Tech4Hire AS in a directed share issue. The number of new shares transferred was determined by dividing the NOK 4.0 million by the volume weighted average price of Dovre Group's shares on Nasdaq Helsinki between 12 June and 18 June, equaling to EUR 0.23 per share. The subscription price was credited in its entirety to the reserve for invested unrestricted equity. The new shares were registered on June 28, 2019 and the trading with these shares began on July 2, 2019.

In 2019, altogether 50.0 (14.5) million Dovre Group shares were exchanged on the Nasdaq Helsinki Ltd., corresponding to a trade of approximately EUR 11.9 (3.6) million. The trading volume was impacted by the share transactions made by the company's largest shareholders in early November. The volume weighted average price of Dovre share was 0.24 (0.25), the lowest quotation was EUR 0.21 (0.20) and the highest EUR 0.34 (0.29). On December 31, 2019, the closing quotation was EUR 0.29 (0.21). The period-end market capitalization was approximately EUR 29.6 (21.0) million.

Own shares

Dovre Group did not repurchase the Company's own shares during the period under review. At the end of December 2019, Dovre Group Plc held 870,337 of its own shares, representing approximately 0.85% of all the company's shares and votes.

Shareholders and holdings of the Board of Directors and the CEO

On December 31, 2019, the number of registered shareholders of Dovre Group Plc totaled 3,875 (3,179), including 8 (8) nominee-registers. The share of nominee-registered shares was 2.4 (0.4) % of the Group's shares.

On December 31, members of the Group's Board of Directors and the CEO held, including holdings through controlled companies and family members living in the same household, a total of 7,997,751 (7,101,189) shares in the company, representing 7.8 (7.1) % of all shares. In addition, CEO Arve Jensen held at the end of 2019 a total of 100 000 stock options from 2013 option plan.

A total of five flagging notifications were issued during the financial year. As a result of the increase in the total number of shares described above, the share of Commuter 2 AS (a company controlled by Frank Ween) of the Company's shares and votes decreased below 15% to 14.81% on June 28, 2019.

Following the share transactions made in early November, four flagging announcements were issued. On 11 November, Global Asiaone Pte Ltd (a company controlled by Ole Olsen) and Commuter 2 AS flagged up the sale of their entire holdings in Dovre Group Plc to several investors. Prior to the sale, Global Asiaone Pte Ltd held 10.17% and Commuter 2 AS held 13.43% of the company's shares and votes. Correspondingly, the holding of Etra Capital Oy (controlled by Erkki Etola) increased to over 15 per cent to 19.62 per cent, and the combined holding of Joensuun Kauppa ja Kone Oy and K22 Finance Oy (controlled by Kyösti Kakkonen) rose to over 10 per cent to 11.24 percent.

Holdings of Board of Directors and CEO 31.12.2019			
Name	Shares, pcs	Percentage of shares	Options, pcs
Svein Stavelin	334,613	0.3	0
Ilari Koskelo	7,129,653	7.0	0
Antti Manninen	533,485	0.5	0
Kristine Larneng	0	0.0	0
Board members, total	7,997,751	7.8	0
Arve Jensen	80,000	0.1	100,000

Shareholder agreements

Dovre is not aware of any shareholder agreements pertaining to share ownership or the use of voting rights.

Stock options

At the end of the period under review, Dovre Group had one open option plan, 2013. Each stock option entitles the holder to subscribe one share in Dovre Group Plc.

Under the 2013 option plan, the total number of stock options offered for subscription to Dovre Group's key personnel is 3,000,000. The subscription periods for 2013A and 2013B option plans have ended on February 29, 2018 and on February 28, 2019, respectively. The share subscription period and price per series under the 2013C option plan are as follows: subscription price EUR 0.43; subscription period March 1, 2017 - February 28, 2020.

No stock options were granted to key personnel under the Group's 2013 stock option plan during 2019, and no shares were subscribed for under the option plan. The remaining 375,000 2013B options expired as unused. At the end of the period under review, the company had granted a total of 850,000 options under the 2013 option plan and had in reserve a total of 1,150,000 options. On December 31, 2019, the Group's CEO Arve Jensen held a total of 100,000 stock options granted under the 2013 option plan.

More information about the shares, shareholders and stock options of Dovre Group on www.dovregroup.com/investors.

Long-term incentive programs 2018–2020

The Board of Directors decided on a long-term share-based remuneration and incentive program for the top management of Dovre Group in June 2018. The remuneration is based on an annually set performance conditions and a service condition, and the key metric is operating profit.

The executive is responsible for personnel income tax on award. The shares will be awarded when the vesting period ends at the beginning of 2021.

Estimated amount of shares earned	
Year	Shares pcs
2018	169,631
2019	354,564
Total accrued	524,195

ANNUAL GENERAL MEETING AND THE AUTHORIZATIONS OF THE BOARD OF DIRECTORS

Dovre Group Plc's Annual General Meeting (AGM) was held on March 27, 2019. The AGM adopted the financial statements and consolidated financial statements for 2018 and discharged the members of the Board of Directors and the CEO from liability for the financial year ending on December 31, 2018. In accordance with the Board's proposal, the AGM decided that a dividend of EUR 0.01 per share to be paid for the financial year 2018. The dividend was paid to shareholders in April.

The AGM decided that the number of Board members be set at four (4). Svein Stavelin, Ilari Koskelo and Antti Manninen were re-elected as members of the Board, and Kristine Larneng was elected as new member of the Board. The AGM resolved that the chairman of the Board is paid EUR 35,000, the vice chairman of the Board EUR 25,000, and each other member of the Board EUR 22,000 per year. The annual compensation is to be paid in cash. In addition, reasonable travel expenses are compensated.

The AGM elected Audit firm BDO Oy as the Company's auditor. BDO Oy has informed that Authorized Public Accountant Ari Lehto will be the principal auditor.

The AGM authorized the Board of Directors to decide on the repurchase of the Company's own shares and to decide on the issuance of new shares and/or the conveyance of own shares held by the Company and/or the granting of special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act. Both authorizations cover a maximum of 9,900,000 shares, which corresponds to approximately 10 percent of the total number of shares in the company. The authorizations are valid until June 30, 2020 and revoke the previously granted, corresponding authorizations.

The Board did not use the authorization to decide on the repurchase of its own shares. The Board of Directors used the authorization to decide on the issuance of new shares when it decided on the directed share issue to the sellers of Tech4Hire in June 2019. A total of 8,122,022 shares could still be issued under this authorization.

The decisions of the General Meeting are available in full at Dovre's website at <https://www.dovregroup.com/investors/share-and-ownership.html#authorizations>

SHORT-TERM RISKS AND UNCERTAINTIES

In the Project Personnel business area, the Group's most significant risks include the cyclicity of clients' business. Market developments in Norway are particularly important for Project Personnel due to the business area's strong position in the Norwegian market. In addition, expansion to new client segments requires expenditure and includes risks. The business area's other challenges are maintaining its competitiveness and profitability. Project Personnel business is project-based by nature, thus adding an element of uncertainty to forecasting. From time to time there might be a dependency locally on one major

project or client. Dovre Group is responsible for the work performed by its consultants. However, the company has no overall responsibility for project delivery.

In the Consulting business area, general economic uncertainty does not affect as directly the demand for the Group's services. This is mainly due to the fact that one of Group's main clients, the Norwegian public sector, aims to invest counter-cyclically. Project delivery involves minor risks due to both clients and the Group's own personnel such as project delays or loss of key personnel.

Dovre Group holds a minority share in SaraRasa Bioindo Pte. Ltd. (Bioindo), a company producing pellets from wood residue. Bioindo's production unit is located in Indonesia and is thus exposed to high country risk. Other significant risks include risks relating to commercial agreements, especially feedstock purchase and end-product sale agreements. Dovre Group accounts for the investment as a fair value through profit and loss. The Group's reporting currency is euro.

The Group's most important functional currencies are the Norwegian crown, the Canadian dollar, the Singaporean dollar, and the United States dollar. Although the Group's sales and corresponding expenses are mainly in the same currency, currency fluctuations can affect the Group's net sales and operating result. Foreign currency denominated assets and liabilities can also result in foreign exchange gains or losses. Foreign exchange risks are hedged, when necessary, centrally in the Group.

EVENTS AFTER THE REPORTING PERIOD

Legal restructuring in Norway

Dovre Group reorganised its business in Norway and transferred a part of the business from the Project Personnel segment to be reported as a part of the Consulting segment. The reorganization was made at the beginning of January 2020. The new organizational structure combines those businesses that have specific features in the energy sector as one entity, and those with core expertise in consulting as one entity. The new structure enables Dovre's personnel to utilize their expertise better in the management of customer projects and in developing Dovre's business.

The new companies in Norway are Dovre Group Energy AS and Dovre Group Consulting AS. Dovre Group Energy AS, earlier Dovre Group Projects AS, focuses on supplying project personnel to clients within the energy sector and Dovre Group Consulting AS focuses on consulting within project management and supplying of project personnel to clients within other industries than energy.

Dovre Group Energy AS will be reported as part of Project Personnel segment in the Group's financial reporting. Dovre Group Consulting AS will be reported as part of Consulting segment in the Group's financial reporting. The changes will not have any effect on the legal structures in other units outside Norway. Other units will continue to serve all clients with large projects in the energy sector and other industries.

Dovre Group to start operations in St. Petersburg, Russia

In February 2020, Dovre Group expanded its offering to a new geographical area of Western Russia by establishing a new subsidiary company in St. Petersburg (Dovre ooo). The company will provide project personnel, specialists and advanced project services for both foreign and Russian companies operating in Russia, as well as administrative support and other back-office services for all Dovre companies internally to improve cost efficiency and profitability of Dovre. Back-office services will be offered to other European companies as well. Additional services include visa, work permit and other ex-pat services for companies wishing to send their own personnel for work assignments in Russia. The new company has commenced full operation on February 1, 2020.

Directed share issue and additional purchase price to Tech4Hire

Dovre Group has decided on February 19, 2020 on the payment of additional purchase price of NOK 10.3 million (approximately EUR 1 million) to the sellers of Tech4Hire. The additional purchase price is paid because the financial targets of Tech4Hire required for the payment of the additional purchase price were met by the end of 2019. A part of the additional consideration shall be used to subscribe for new shares in Dovre Group Plc. Consequently, the Board of the Directors of Dovre Group Plc has decided, based on the authorization granted by the Annual General Meeting of 2019, on a directed share issue to the sellers of Tech4Hire. Dovre has published February 19, 2020 the terms and conditions for the share issue in a separate stock exchange release.

OUTLOOK FOR 2020

The market is still affected by several uncertainties, including general economic development, oil price, and political instability. Group's main markets are, however, in politically and economically stable countries.

In the Project Personnel business area, demand has improved and the prices are improving slightly. Thanks to a strong portfolio of frame agreements, cost savings already implemented, as well as improving demand, Group expects operating result to improve from 2019. In the Consulting business area, market outlook remains unchanged.

Dovre Group's net sales and operating profit in 2020 are expected to improve compared to 2019 excluding non-recurring items.

BOARD OF DIRECTORS' PROPOSAL FOR DIVIDEND

The parent company's distributable funds were EUR 19,184,773.10 on December 31, 2019. The Board of Directors proposes to the Annual General Meeting to be held on April 28, 2020 that a dividend of EUR 0.01 (0.01) per share to be paid. The Board of Directors further proposes that the dividend is paid to a shareholder who on the record date April 30, 2020 is registered as a shareholder in the company's shareholder register maintained by Euroclear Finland Ltd and that the dividend be paid on May 8, 2020.

Dividend is not paid to the shares owned by the company. No significant changes have occurred in the company's financial position after the end of the financial year. The proposed distribution of dividend poses no risk to the company's financial standing.

Espoo, February 20, 2020

DOVRE GROUP PLC
BOARD OF DIRECTORS

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Financial reporting in 2020

Dovre Group releases it's financial reports in 2020 as follows:

- Q1 trading statement for January 1–March 31, 2020 on Tuesday, April 28, 2020
- Half-year financial report for January 1–June 30, 2020 on Tuesday, July 28, 2020
- Q3 trading statement for January 1–September 30, 2020 on Tuesday, October 27, 2020

The company's Annual General Meeting is to be held on Tuesday, April 28, 2020. Dovre Group's Board of Directors will summon the meeting at a later date. The Annual Report 2019, which includes the company's financial and non-financial statements, the report of the Board of Directors, and the corporate governance statement, will be published online during week 10.

Distribution

Nasdaq Helsinki Ltd
Major media

www.dovregroup.com

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	7-12 2019 ¹	7-12 2018	Change %	1-12 2019 ¹	1-12 2018	Change %
NET SALES	44,944	32,722	37.3	83,135	65,466	27.0
Other operating income	790	21	3,617.8	817	32	2,419.4
Material and services	-84	-96	-12.7	-180	-195	-7.5
Employee benefit expenses	-40,816	-29,517	38.2	-75,598	-59,218	27.7
Depreciation and amortization	-474	-220	116.0	-882	-447	97.6
Other operating expenses	-2,227	-2,485	-10.4	-4,587	-5,099	-10.0
OPERATING RESULT	2,154	426	405.9	2,705	539	401.4
Financing income	236	653	-63.8	267	668	-60.0
Financing expenses	-170	-48	253.0	-330	-119	178.0
Share of results in joint ventures	0	0	-		-31	-100.0
RESULT BEFORE TAX	2,221	1,031	115.5	2,642	1,058	149.7
Tax on income from operations	-352	-116	203.8	-552	-214	157.7
RESULT FOR THE PERIOD	1,868	915	104.2	2,091	844	147.6
Other comprehensive income						
Other comprehensive income to be classified to profit or loss in subsequent periods:						
Translation differences	1	-554	100.3	598	-212	382.2
Other comprehensive income for the period, net of tax	1	-554	100.3	598	-212	382.2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,870	361	417.9	2,689	632	325.2
Earnings/share (EUR)						
Basic, result for the period	0.018	0.009	102.1	0.021	0.008	145.1
Diluted, result for the period	0.018	0.009	102.1	0.021	0.008	145.1

Average number of shares	7-12 2019	7-12 2018	1-12 2019	1-12 2018
Basic	101,946,747	100,168,769	101,205,923	100,168,769
Diluted	101,946,747	100,168,769	101,205,923	100,168,769
Number of shares, period end	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Basic	101,946,747	100,168,769	101,946,747	100,168,769
Diluted	101,946,747	100,168,769	101,946,747	100,168,769

1 Dovre Group adopted IFRS 16 - Leases standard on 1 January 2019 using the simplified transition method. The figures for the comparative period 2018 have not been restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	Dec. 31,	Dec. 31,	Change
	2019	2018	%
ASSETS			
Non-current assets			
Intangible assets	3,735	2,951	26.5
Goodwill	17,443	15,185	14.9
Tangible assets	2,049	960	113.4
Financial asset	876	723	21.3
Deferred tax assets	148	183	-18.9
Non-current assets	24,252	20,002	21.2
Current assets			
Trade receivables and or other receivables	19,413	12,526	55.0
Tax receivable, income tax	1	15	-93.3
Cash and cash equivalents	5,794	4,970	16.6
Current assets	25,208	17,511	44.0
TOTAL ASSETS	49,460	37,513	31.8
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	9,603	9,603	0.0
Reserve for invested non-restricted equity	12,661	12,300	2.9
Fair value reserve	2,869	2,869	0.0
Treasury shares	-237	-237	0.0
Translation differences	-2,865	-3,462	-17.2
Retained earnings	2,289	1,080	111.8
Shareholders' equity	24,319	22,153	9.8
Non-current liabilities			
Deferred tax liability	954	758	25.8
Non-current liabilities, interest-bearing	2,728	450	506.2
Other non-current liabilities	65	68	-3.7
Non-current liabilities	3,747	1,276	193.7
Current liabilities			
Short-term liabilities, interest-bearing	3,106	2,785	11.5
Trade payables and other liabilities	17,697	11,025	60.5
Tax liability, income tax	591	275	114.9
Current liabilities	21,394	14,084	51.9
TOTAL EQUITY AND LIABILITIES	49,460	37,513	31.8

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

- a) Share Capital
- b) Reserve for non-restricted equity
- c) Fair value reserve
- d) Treasury shares
- e) Translation differences
- f) Retained earnings
- g) Shareholders' equity total

EUR thousand	a)	b)	c)	d)	e)	f)	g)
SHAREHOLDERS' EQUITY Jan. 1, 2018	9,603	12,300	2,869	-84	-3,251	1,188	22,625
Comprehensive income							
Result for the period						844	844
Other comprehensive income							
Items that may be reclassified to profit and loss in subsequent periods:							
Translation differences					-211	-1	-212
Total comprehensive income	0	0	0		-211	843	632
Transactions with shareholders							
Share based compensation						42	42
Buyback of shares				-153			-153
Dividend distribution						-993	-993
Total transaction with shareholders	0	0	0	-153	0	-951	-1,104
SHAREHOLDERS' EQUITY Dec. 31, 2018	9,603	12,300	2,869	-237	-3,462	1,080	22,153
EUR thousand	a)	b)	c)	d)	e)	f)	g)
SHAREHOLDERS' EQUITY Jan. 1, 2019	9,603	12,300	2,869	-237	-3,462	1,080	22,153
Comprehensive income							
Result for the period						2,091	2,091
Other comprehensive income							
Items that may be reclassified to profit and loss in subsequent periods:							
Translation differences					597	1	598
Total comprehensive income	0	0	0	0	597	2,092	2,689
Translation with shareholders							
Directed share issue		361					361
Share based compensation						109	109
Dividend distribution						-993	-993
Total transactions with shareholders	0	361	0	0	0	-884	-523
SHAREHOLDERS' EQUITY Dec. 31, 2019	9,603	12,661	2,869	-237	-2,865	2,288	24,319

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	7-12 2019	7-12 2018	Change %	1-12 2019	1-12 2018	Change %
Cash flow from operating activities						
Operating result	2,154	425	405.9	2,705	539	401.4
Adjustments:						
Depreciation / Amortization	474	220	115.5	882	447	97.3
Gain from sale of tangible assets	-776	0	-	-776	0	-
Personnel expenses	109	16	581.3	110	42	161.9
Adjustments, total	-193	236	-181.8	216	489	-55.8
Changes in working capital						
Trade and other receivables, increase (-) / decrease (+)	313	849	63.3	-4,141	-1,218	-240
Trade and other payables, increase (+) / decrease (-)	466	381	-22.3	2,992	1,433	-108.8
Changes in working capital, total	779	1,230	36.7	-1,149	215	634.4
Interest paid	-91	-31	-193.5	-167	-58	-187.9
Interest received	27	14	92.9	52	29	79.3
Other financial expenses paid and received	-33	-6	-450.0	-71	-28	153.6
Income taxes paid	16	-69	123.2	-306	-115	-166.1
Net cash generated by operating activities	2,659	1,799	47.8	1,280	1,071	19.5
Cash flow from investing activities						
Investments in tangible and intang. assets	-75	0	-	-84	-188	55.3
Proceeds from sale of tangible assets	1,641	0	-	1,642	0	-
Acquisitions of subsidiaries, less cash and cash equivalents	0	0	-	-1,778	0	-
Net cash generated by investing activities	1,566	0	-	-220	-188	-17.0
Cash flow from financing activities						
Directed share issue	-42	0	-	364	0	-
Repurchases of own shares	0	0	-	0	-161	-100.0
Proceeds of non-current loans	0	0	-	1,651	0	-
Repayments of non-current loans	-1,061	-300	253.7	-1,061	-600	-76.8
Proceeds from short-term loans	552	130	324.6	882	752	17.3
Repayments of short-term loans	-812	0	-	-880	0	0.0
Repayments of lease liabilities	-209	0	-	-379	0	-
Dividends paid	0	0	-	-993	-993	0.0
Net cash generated by financing activities	-1,572	-170	824.7	-416	-1,002	58.5
Translation differences	49	-113	143.4	180	-64	381.3
Change in cash and cash equivalents	2,702	1,516	78.2	824	-183	551.1
Cash and cash equivalents at beginning of the period	3,092	3,452		4,970	5,151	
Cash and cash equivalents at end of the period	5,794	4,986		5,794	4,968	

NOTES TO THE FINANCIAL STATEMENT RELEASE

The financial statement release has been prepared in line with IAS 34 and, apart from the additions below, the same accounting principles have been applied as in the 2018 financial statements. Key indicator calculations remain unchanged and have been presented in the 2018 financial statements.

As of January 1, 2019, the Group has adopted new and amended IFRS standards with the effective date of January 1, 2019. The new standard IFRS 16 Leases had a material impact to the Group's tangible assets and interest-bearing liabilities, as well as to the profit and loss items. Interpretation IFRIC 23 Uncertainty over Income tax, amendments to IFRS 9, IAS 28 and IAS 19 standards and annual improvements 2015-2017 to standards did not have material impact to the Group's financial statement.

Following the IFRS 16 standard, Dovre Group has recognized right-to-use asset and equivalent lease liability to its balance sheet from its office leases. As part of the assessment, the Group took into account possible options to extend the lease term and otherwise assessed the leases terms, if no fixed term defined in the agreement. The Group has applied the recognition exemptions permitted by the standard and, hence, has not applied the standard to office and other leases, of which the lease term was less than 12 months at inception of the lease or value of the lease was low.

With regard to the implementation of the IFRS 16 Leases standard, Dovre Group has applied a simplified approach and, hence, has not adjusted the comparative information from corresponding reporting period. The application of the standard at the beginning of the year increased tangible asset and interest bearing liabilities by 2,165 thousand euros. At the date of application, the weighted average of the lessee's additional borrowing rate used to determine the lease liability recognized in the balance sheet was 3.63%. It also impacted the gearing by +9.8%, when the gearing changed from -7.8% to 1.9%.

A reconciliation of IAS 17 operating lease commitments in 31.12.2018 and recognized IFRS 16 lease liabilities in the opening balance sheet 1.1.2019 is presented below:

Operative lease commitments according to IAS 17 on Dec 31, 2018	1,567
Discounted at 1.1.2019	-96
Variable lease payments	-199
Extension options	877
Other items	16
Lease liabilities recognized on 1.1.2019 according to IFRS 16	2,165

1. OPERATING SEGMENTS

The Group has two reporting segments that are also the Group's strategic business areas:

- Project Personnel business area provides project personnel services for large investment projects worldwide
- Consulting business area provides management and project management consulting and project management software for enterprise level management in the Nordic countries.

The Group's segment information is based on internal management reporting prepared in accordance with IFRS standards. The Group does not allocate the parent company's intra-Group charges to segments for the purposes of segment reporting.

NET SALES

EUR thousand	1-12/2019	1-12/2018	Change, %
Project Personnel	76,995	59,652	29.1
Consulting	6,140	5,814	5.6
Total	83,135	65,466	27.0

OPERATING RESULT

EUR thousand	1-12/2019	1-12/2018	Change, %
Project Personnel	2,376	1,485	60.0
Consulting	643	395	62.8
Other functions	-63	-1,121	94.4
Unallocated	-252	-220	-14.4
Total	2,705	539	401.4

Other functions are the common resources used by both segments of the Group and shareholders' expenses. In 2019, other functions include a gain of EUR 776 thousand from the sale of the Kuukoti office property.

Unallocated expenses include amortization of customer agreements and relations and share-based compensation recognized as expense in the income statement.

PERSONNEL

Average number of personnel	1-12/2019	1-12/2018	Change, %
Project Personnel	580	454	27.8
Consulting	37	36	2.8
Other functions	3	5	-40.0
Total	620	495	25.3

In the Project Personnel business area, 30 (29) % of personnel were independent contractors.

2. NET SALES

NET SALES BY REVENUE TYPE

EUR thousand	1-12/2019	1-12/2018	Change, %
Services	82,634	64,983	27.2
License revenue	314	281	11.8
Maintenance	187	202	-7.5
Total	83,135	65,466	27.0

Services include 127 thousand euros (152 thousand euros in December 2018) revenue recognized as a point in time. License income includes 84 thousand euros (110 thousand euros) income recognized as a point in time.

NET SALES BY DOMICILE OF THE COMPANY

EUR thousand	1-12/2019	1-12/2018	Change, %
Finland	8,193	5,709	43.5
Norway	58,158	44,333	31.2
Canada	7,476	8,264	-9.5
Singapore	7,189	5,590	28.6
Other countries	2,119	1,570	35.0
Total	83,135	65,466	27.0

3. ACQUISITIONS IN 2019 – TECH4HIRE

Dovre Group Projects AS acquired 100% of the shares of Tech4Hire AS, a Norwegian privately held oil and gas personnel company. In exchange, Dovre Group Projects AS paid Tech4Hire owners a total of NOK 23,643 thousand (approximately EUR 2,440 thousand) on June 25, 2019.

As part of the transaction, Dovre Group issued 1,777,978 new shares to the sellers of Tech4Hire AS in a directed share issue. The number of new shares transferred was determined by dividing the NOK 4.0 million by the volume weighted average price of Dovre Group's shares on Nasdaq Helsinki between 12 June and 18 June, equaling to EUR 0.23 per share. The subscription price, EUR 408,935, was fully booked in the Company's reserve for invested non-restricted equity.

The sellers had the opportunity to receive an additional purchase price of NOK 0-10 million (EUR 0-1 million) if the agreed financial targets were met by the end of 2019. Part of the additional purchase price shall be used to subscribe for shares in Dovre Group. As of December 31, 2019, Dovre Group has recorded an additional consideration of NOK 10.3 million (EUR 1.1 million) as a liability. The additional purchase price will be paid in the first quarter of 2020.

Advisory and expert service costs of EUR 117 thousand related to the transaction have been included in other operating expenses in the income statement. The expenses related to the directed share issue, EUR 47 thousand, are recognized in the reserve for non-restricted equity.

As of the acquisition date, the consolidated statement of comprehensive income includes net sales of EUR 8.2 million and result for the period of EUR 282 thousand contributed by the acquired business. The parties agreed in the agreement to combine Tech4Hire with Dovre Group result as of April 30, 2019.

Had the acquisition taken place on January 1, 2019, the consolidated statement of comprehensive income would have included net sales of EUR 11.8 million and result for the period of EUR 451 thousand.

The book values of the trade receivables and trade payables acquired correspond to their fair values.

Summary of acquisition items on June 25, 2019

EUR thousand	Fair value
Cash consideration	3,497
Intangible assets	1,136
Trade and other receivables	2,545
Cash and cash equivalents	662
Deferred tax liabilities	-250
Trade payables and other liabilities	-2,559
Total net assets acquired	1,534
Goodwill	1,963
Total	3,497

4. GOODWILL

EUR thousand	2019	2018
Acquisition cost, Jan. 1	15,185	15,177
Additions	1,930	0
Translation differences (+/-)	328	8
Book value, Dec. 31	17,443	15,185

The increase of goodwill is related to the Tech4Hire acquisition in the second quarter of 2019.

Goodwill by cash generating units:

EUR thousand	2019	2018
Project Personnel	16,720	14,460
Consulting, Finland	484	484
Consulting, Norway	239	241
Total	17,443	15,185

Impairment testing has been performed at the year-end, with December 31, 2019 as the testing date. For Project Personnel, in addition to goodwill, we test also the NPC trademark, which has an indefinite useful life. The carrying amount of the trademark at December 31, 2019 was approximately EUR 1.4 million (EUR 1.3 million on December 31, 2018).

In testing, the carrying amount of a cash-generating unit is compared with its value in use, which is based on a calculation of its value in use. These calculations are based on management-approved plans covering a five-year period. The key variables used in the calculation are revenue growth and operating margin. The variables are based on past performance, the business group's market position and growth potential in the business group's market. The discount rate is determined using a capital structure based on peer group balance sheets and financial statements to which IAS 17 *Leases* applies.

Based on testing, the recoverable amounts of all cash-generating units exceeded their carrying amounts and, therefore, no indications of impairment exist.

Key variables:

	2019	2018
Average growth in net sales, %		
Project Personnel	10,0	10,0
Consulting, Finland	1,5	1,3
Consulting, Norway	2,0	3,1
Average EBIT, %		
Project Personnel	3,5	4,0
Consulting, Finland	10,3	8,8
Consulting, Norway	10,0	10,0
Terminal growth rate, %		
Project Personnel	1,0	1,0
Consulting, Finland	1,0	1,0
Consulting, Norway	1,0	1,0
Pre-tax discount rate, %		
Project Personnel	13,3	12,5
Consulting, Finland	13,1	12,3
Consulting, Norway	13,2	12,7

If any one of the following changes were made to the above key assumptions, the value in use value and the carrying amount would be equal.

	Change
EBIT %, %-unit	
Project Personnel	-0,7
Consulting, Finland	-5,8
Consulting, Norway	-9,2
Pre-tax discount rate, %-unit	
Project Personnel	3,7
Consulting, Finland	16,4
Consulting, Norway	482,6

5. LEASES

Dovre Group's right-to-use assets are office leases, which are presented as part of buildings. Dovre Group adopted a simplified approach to deployment, setting the starting date for existing contracts as January 1, 2019. Most office rentals are fixed-term contracts and some of these contracts include an option to extend the contract periodically. Dovre Group assessed in the determination of the right-to-use assets that the Group will utilize extension options. Leases, which are valid until further notice with a 3 to 12 month notice period, have a probable lease term of 2-4 years.

Right-to-use assets
EUR thousand **2019**

Acquisition cost, Jan. 1	0
Additions	2 379
Book value, Dec. 31	2 379

Accumulated depreciations, Jan. 1	0
Translation differences (+/-)	-1
Depreciation charges for the period	-411
Accumulated depreciations, Dec. 31	-412

Book value, Dec. 31 **1 967**
Leasing liabilities
EUR thousand **Dec.31, 2019**

Non-current leasing liabilities	1 592
Current leasing liabilities	417
Total	2 009

Maturity profile of payments due
EUR thousand **Dec.31, 2019**

0-1	-481
1-2	-454
2-3	-375
3-4	-348
4-5	-270
Over 5 years	-275
Total	-2 202

Cash flow statement items
EUR thousand **Dec.31, 2019**

Lease Liability Amortization Payments	-379
Lease Liability Interest Payments	-67
Total	-446

Income statement items

EUR thousand	2019
Right-to-use asset depreciations	-411
Right-to-use asset interest cost	-76
Short-term lease expense	-34
Low value lease expense	-17
Expense relating to variable lease payments not included in the measurement of lease liabilities	-79
Total	-617

6. FINANCIAL ASSETS

Financial assets at fair value through profit and loss

EUR thousand	Dec. 31, 2019	Dec. 31, 2018
Unquoted equity investment	876	723
Total	876	723

Financial assets at fair value through profit and loss include Dovre Group Plc's ownership in SaraRasa Bioindo Pte. Ltd. (Bioindo). Dovre Group Plc's ownership is 19.86% at the year end 2019. Prior to 2018, the Group presented the ownership in the investment in joint ventures. Dovre Group's investment in Bioindo is not part of the Group's core business.

The category of the investment's fair value measurement is Level 3. The valuation technique has been discounted cash flow method with five year forecast period, deducted by net debt, and 1% as terminal growth rate. The other significant unobservable inputs used are the following:

- Net sales during the forecast period USD 6.5 million annually
- Operating result (EBIT) during the forecast period 12.2%
- Discount rate (WACC) 10.6%.

Increase of 3% in the profitability would result in increase in fair value by EUR 0.2 million. Decrease of net sales by 5% and increase of discount rate by 2.5% would result in decrease in fair value by EUR 0.1 million.

The audited equity of Bioindo was USD +397 thousand at the year end 2018 (-1,850 thousand at end of 2017). The 2018 result includes an one time gain of USD 901 thousand following the restructuring of Bioindo's long-term loans (published on Jan 3, 2019), as well as an income of unamortized discount of interest-free debt of USD 917 thousand. The 2019 result is expected to be positive. The company has agreed to supply its entire productions of pellets until January 2024 (published on July 25, 2019).

7. TRADE AND OTHER RECEIVABLES

EUR thousand	Dec. 31, 2019	Dec. 31, 2018
Trade receivables	17,997	11,759
Valuation allowance for trade receivables	-15	0
Other receivables	49	65
Accrued income on sales	1,022	440
Prepayments on expenses	360	262
Total	19,413	12,526

The book values of the receivables are based on a reasonable estimate of their fair values. Dovre Group has not recognized an expected credit loss provision under IFRS 9 for accounts receivable because Dovre Group has not been able to do so due to the low amount of credit losses realized. During 2016-2018, the Group has not recognized any impairment provisions. The average amount of impairment of trade receivables during the last 10 years has been EUR 14 thousand, which is an average of 0.09% of trade receivables.

Ageing analysis of trade receivables

EUR thousand	Dec. 31, 2019	Dec. 31, 2018
Not due	11,825	8,127
Overdue		
1 - 30 days	5,607	3,397
31 - 60 days	429	155
61 - 90 days	75	74
Over 90 days	61	6
Total	17,997	11,759

8. GROUP COMMITMENTS

Collateral for own commitments

EUR thousand	Dec. 31, 2019	Dec. 31, 2018
Trade receivables pledged as collateral	5,677	4,021
Floating charges	3,000	3,000
Pledged shares, book value in Group	-	826

9. GROUP QUARTERLY INFORMATION

EUR thousand	1-3 2019	1-3 2018	4-6 2019	4-6 2018	7-9 2019	7-9 2018	10-12 2019	10-12 2018
NET SALES	17,317	16,418	20,874	16,325	21,637	15,539	23,306	17,184
Other operating income	14	4	13	7	785	18	5	3
Material and services	-27	-51	-69	-47	-37	-30	-47	-66
Employee benefits expense	-15,777	-14,871	-19,028	-14,830	-19,604	-14,083	-21,189	-15,434
Depreciation and amortization	-205	-109	-203	-118	-241	-112	-233	-108
Other operating expenses	-1,052	-1,343	-1,308	-1,271	-1,072	-1,169	-1,152	-1,317
OPERATING RESULT	271	48	279	66	1,469	163	686	262

10. GROUP KEY FINANCIAL PERFORMANCE INDICATORS

EUR million	1-12 2019	1-12 2018
Cash and cash equivalents	5.8	5.0
Interest-bearing liabilities	5.8	3.2
Net debt	0.0	-1.7
Shareholders' equity	24.3	22.2
Balance sheet total	49.5	37.5
Return on equity, %	9.0%	3.8%
Return on investment, %	10.3%	4.6%
Debt-equity ratio (Gearing), %	0.2%	-7.8%
Equity-ratio, %	49.2%	59.1%
Personnel (average for period)	620	495
Personnel (at end of period)	691	495
Earnings per share, EUR (basic, average for period)	0.021	0.008
Equity per share, EUR (basic, end of period)	0.24	0.22