

## **DOVRE GROUP'S FINANCIAL STATEMENT RELEASE 1.1.–31.12.2021: A SHIFT TOWARDS GREEN ENERGY**

Dovre Group Plc

Financial Statement Release February 24, 2022, at 09.15 a.m.

*Last year's corresponding period is shown in parentheses.*

### **October–December 2021**

- Net sales grew by 137.8% to EUR 42.3 (17.8) million. The growth was driven especially by the acquisition of a majority shareholding in the Finnish windmill park construction and construction design company Suvic Oy in March. Suvic's operations are presented under the new Renewable Energy segment.
  - Project Personnel: net sales totaled EUR 22.8 (14.0) million – increase of 62.3%.
  - Consulting: net sales totaled EUR 4.2 (3.8) million – increase of 11.4%.
  - Renewable Energy: net sales totaled EUR 15.4 (-) million.
- EBITDA improved to EUR 2.0 (0.8) million – increase of 153.3%.
- Operating result improved to EUR 1.8 (0.6) million – increase of 199.6%.
- Profit before tax was EUR 1.7 (0.5) million – increase of 202.5%.
- Earnings for the shareholders of the parent company EUR 1.1 (0.2) million – increase of 625.9%.
- Earnings per share was EUR 0.011 (0.005).
- Net cash flow from operating activities totaled EUR 1.2 (2.2) million.

### **January–December 2021**

- Net sales grew by 84.2% to EUR 142.7 (77.5) million mainly as a result of the Renewable Energy business established in connection with the Suvic acquisition.
  - Project Personnel: net sales totaled EUR 76.2 (62.9) million – increase of 21.1%.
  - Consulting: net sales totaled EUR 16.1 (14.5) million – increase of 11.0%.
  - Renewable Energy: net sales totaled EUR 50.4 million (1 April - 31 December 2021).
- EBITDA increased to EUR 6.9 (3.2) million – increase of 117.0%.
- Operating result improved to EUR 6.1 (2.4) million – increase of 158.1%.
- Profit before tax was EUR 5.6 (2.2) million including EUR -0.5 (-0.2) million of finance items.
- Earnings for the shareholders of the parent company EUR 3.7 (1.6) million – increase of 123.2%.
- Earnings per share totaled EUR 0.035 (0.016).
- Net cash flow from operating activities was EUR 2.3 (4.2) million.
- Board of Directors proposes to the Annual General Meeting (AGM) to be held on March 30, 2022, that no dividend is paid for 2021 to enable further growth in the Renewable Energy segment.

### **OUTLOOK FOR 2022**

Dovre Group's net sales in 2022 is expected to be more than EUR 165 million (2021: EUR 142.7 million). The operating profit (EBIT) is expected to be better than last year (2021: EUR 6.1 million).

**CEO ARVE JENSEN:**

Dovre Group's business continued to grow strongly in Q4 2021. Our net sales increased by 137.8% to EUR 42.3 million and the operating profit margin rose to 4.2 (3.3) %. The Q4 growth was mainly driven by the favourable development of the new Renewable Energy business, but also by the 62.3% growth in Project Personnel business and the 11.4% increase in the Consulting business year-on-year.

The most significant events in 2021 were the further diversification of our business into renewable energy with the acquisition of Suvic and the strengthening of our Project Personnel and Consulting business in Finland with the acquisition of the eSite business, which focuses on virtual reality in industry.

The Suvic acquisition was completed on the last day of March, and the net sales of our new Renewable Energy segment in April–December were EUR 50.4 million, corresponding to 35% of Dovre's full-year net sales. In April – December the Renewable Energy accounted for 41.0 percent of the Group's net sales. During the year, Suvic announced seven new wind farm projects, five of which were launched in 2021 and two that will be launched in 2022. In February 2022, Suvic announced the signing of three more wind farm projects. In less than a year, Renewable Energy has become a significant part of Dovre's business, and we will continue to invest in capitalizing on the growth opportunities of the Suvic renewable energy business acquisition.

The year 2021 was also characterized by strong growth in the Project Personnel and Consulting business units. We won several new framework agreements and individual agreements in both business units, and the combined revenue of the segments increased by 19.2% in 2021. In the Project Personnel business, the largest growth came from Singapore and Norway. The number of employees in our Singapore unit rose to a record level in Q3, despite the fact that we still had to adjust to some of the effects of COVID-19 in Singapore. The growth of the unit was particularly affected by a non-recurring project that ended at the end of 2021. In Norway, demand was boosted by increased energy demand, the high oil price and the COVID-19 tax regulations, which together impacted favourably early phase project activities.

The positive development in the Norwegian consulting business continued throughout the year. The most significant event in the Finnish Consulting business was the acquisition of the eSite business from Fortum. eSite specializes in plant imaging and 3D modelling, and we see significant potential in expanding and strengthening our current service offering. We expect the benefits of the business acquisition to be reflected in our business from 2022 onwards.

Dovre Group's net sales in 2021 increased by 84.2% to EUR 142.7 million and the operating profit margin improved to 4.3 (3.0) %. With the growth of our business, our number of employees also increased and was 865 (610) at the end of the year.

In 2022, in line with our strategy, we will focus on profitable growth. We plan to further expand our services in the energy sector. In addition, our goal is to increase the share of Consulting in our business and to continue to diversify our offering in this business area to new clients and industries, such as transportation, construction, ICT, defence, and healthcare.

In addition, in 2022, we will continue to focus on keeping and developing our personnel and ensuring that we continue to have access to the best consultants for our clients' projects. We expect the competitive environment to remain tight, and we will closely monitor oil price developments and other market movements.

## GROUP'S KEY FIGURES

EUR million	10-12 2021	10-12 2020	Change %	1-12 2021	1-12 2020	Change %
Net sales	42.3	17.8	137.8	142.7	77.5	84.2
EBITDA	2.0	0.8	153.3	6.9	3.2	117.0
% of net sales	4.7	4.4		4.8	3.0	
Operating result	1.8	0.6	199.6	6.1	2.4	158.1
% of net sales	4.2	3.3		4.3	3.0	
Profit before taxes	1.7	0.5	202.5	5.6	2.2	158.7
% of net sales	3.9	3.1		3.9	2.8	
Earnings for the shareholders of the parent company	1.1	0.2	625.9	3.7	1.6	123.2
% of the net sales	2.6	0.9		2.6	2.1	
Net cash flow from operating activities	1.2	2.2	-46.8	2.3	4.2	-45.0
Net debt	-1.0	-2.4	-56.3	-1.0	-2.4	-56.3
Debt-equity ratio (Gearing), %	-3.7	-10.1	-63.4	-3.7	-10.1	-63.4
Earnings per share, EUR						
Undiluted	0.011	0.005	110.4	0.035	0.016	118.8
Diluted	0.011	0.005	110.4	0.035	0.016	118.8

## NET SALES

### Net sales in Q4

In Q4, Dovre Group's net sales increased by 137.8% to EUR 42.3 (17.8) million. Net sales increased mainly due to the acquisition of Suvic, but were also affected by the favorable market development, which was reflected in the growth of all three business segments.

In Q4, the Renewable Energy segment's share of net sales was 36%. The segment has grown strongly with the launch of new windmill park projects in the second and third quarters of the year. Renewable Energy's net sales in Q4 totaled EUR 15.4 million.

The relative shares of the other segments decreased correspondingly, and in Q4, Project Personnel accounted for 54 (80) % of net sales and Consulting for 10 (20) %. Project Personnel's net sales increased by 62.3% to EUR 22.8 (14.0) million. The rapid growth is explained by both the improvement in the market environment in different market areas and the low comparison level caused by the coronavirus pandemic in the comparison period. Net sales in Consulting increased by 11.4%, totaling EUR 4.2 (3.8) million.

## Net sales in January–December

In January–December, Dovre Group's net sales increased by 84.2% to EUR 142.7 (77.5) million.

Project Personnel accounted for 53 (81) %, Consulting for 11 (19) % and Renewable Energy for 35 (-) % of the Group's net sales. Renewable Energy is included in the figures for April–December, and it accounted for 41% of the Group's net sales in this period. Project Personnel's net sales increased by 21.1% to EUR 76.2 (62.9) million and net sales for Consulting increased by 11.0%, totaling EUR 16.1 (14.5) million. Net sales in Renewable Energy totalled 50.4 (-) million euros.

By market area, EMEA's net sales totalled EUR 113.1 (59.9) million, accounting for 79 (77) % of the Group's net sales in 2021. Net sales for AMERICAS were EUR 7.4 (7.7) million, accounting for 5 (10) % of the Group's net sales. Net sales for APAC were EUR 22.2 (9.9) million, accounting for 16 (13) % of the Group's net sales.

Year-on-year fluctuations in foreign currency exchange rates had hardly any impact on the Group's net sales in 2021. At constant currencies, net sales would have increased by 83.3% year-on-year in 2021 instead growing by 84.2%.

Several existing clients in Project Personnel and Consulting used their options to extend agreements in 2021. In addition, Dovre won several new frame agreements and single contracts in all three business units.

<b>Net sales by reporting segment</b>	<b>10–12</b>	<b>10–12</b>	<b>Change</b>	<b>1–12</b>	<b>1–12</b>	<b>Change</b>
EUR million	<b>2021</b>	<b>2020</b>	<b>%</b>	<b>2021</b>	<b>2020</b>	<b>%</b>
Project Personnel	22.8	14.0	62.3	76.2	62.9	21.1
Consulting	4.2	3.8	11.4	16.1	14.5	11.0
Renewable Energy*	15.4			50.4		
<b>Group total</b>	<b>42.3</b>	<b>17.8</b>	<b>137.8</b>	<b>142.7</b>	<b>77.5</b>	<b>84.2</b>

\* Renewable Energy figures since 1 April 2021 (Suvic acquisition).

<b>Net sales by market area</b>	<b>10–12</b>	<b>10–12</b>	<b>Change</b>	<b>1–12</b>	<b>1–12</b>	<b>Change</b>
EUR million	<b>2021</b>	<b>2020</b>	<b>%</b>	<b>2021</b>	<b>2020</b>	<b>%</b>
EMEA	32.7	13.6	140.4	113.1	59.9	89.0
AMERICAS	2.0	1.6	23.7	7.4	7.7	-4.7
APAC	7.7	2.6	192.6	22.2	9.9	125.4
<b>Group total</b>	<b>42.3</b>	<b>17.8</b>	<b>137.8</b>	<b>142.7</b>	<b>77.5</b>	<b>84.2</b>

Dovre Group's market areas are:

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

## PROFITABILITY

### Profitability in Q4

Dovre's other operating income totaled EUR 0.0 (0.1) million in October–December. Material and service expenses increased to EUR 14.0 (0.0) million and they consist of purchases for conducting the new Renewable Energy operations. Employee benefit expenses increased, reflecting the business growth by 51.3% to EUR 24.7 (16.3) million. Other operating expenses totaled to EUR -1.7 (0.7) million.

The Group's EBITDA in Q4 improved by 153.3% to EUR 2.0 (0.8) million. The Group's operating result improved by 199.6% to EUR 1.8 (0.6) million. Project Personnel's operating result was EUR 1.1 (0.3) million, Consulting's operating result was EUR 0.6 (0.5) million and Renewable Energy's operating result was EUR 0.4 (-) million. The operating result of the Group's Other functions was EUR -0.2 (-0.2) million.

### Profitability in January–December

Dovre's other operating income totaled EUR 0.3 (0.2) million in 2021. Material and service expenses increased to EUR 46.0 (0.2) million. Employee benefit expenses increased to EUR 85.4 (70.9) million. Other operating expenses were up to EUR 4.8 (3.3) million.

The Group's EBITDA improved by 117.0% to EUR 6.9 (3.2) million. The Group's 2021 operating result improved by 158.1% to EUR 6.1 (2.4) million. Project Personnel's operating result was EUR 2.9 (1.9) million, Consulting's operating result was EUR 2.3 (1.5) million and Renewable Energy's operating result was EUR 1.9 (-) million. The operating result of the Group's Other functions was EUR -0.7 (-0.7) million.

<b>EBITDA</b>	<b>10–12</b>	<b>10–12</b>	<b>Change</b>	<b>1–12</b>	<b>1–12</b>	<b>Change</b>
EUR million	<b>2021</b>	<b>2020</b>	<b>%</b>	<b>2021</b>	<b>2020</b>	<b>%</b>
Project Personnel	1.2	0.4	196.6	3.3	2.3	41.6
Consulting	0.6	0.5	6.3	2.3	1.5	53.5
Renewable Energy	0.4			2.0		
Other Functions	-0.2	-0.2	11.3	-0.7	-0.7	-4.1
Unallocated *)	0.0	0.0	-337.8	0.0	-0.3	-56.7
<b>Group total</b>	<b>2.0</b>	<b>0.8</b>	<b>153.3</b>	<b>6.9</b>	<b>3.2</b>	<b>117.0</b>

<b>Operating result</b>	<b>10–12</b>	<b>10–12</b>	<b>Change</b>	<b>1–12</b>	<b>1–12</b>	<b>Change</b>
EUR million	<b>2021</b>	<b>2020</b>	<b>%</b>	<b>2021</b>	<b>2020</b>	<b>%</b>
Project Personnel	1.1	0.3	211.6	2.9	1.9	54.4
Consulting	0.6	0.5	6.4	2.3	1.5	55.3
Renewable Energy	0.4	0.0		1.9		
Other Functions	-0.2	-0.2	-19.0	-0.7	-0.7	-1.5
Unallocated *)	-0.1	-0.1	21.2	-0.3	-0.3	1.2

<b>Group total</b>	<b>1.8</b>	<b>0.6</b>	<b>199.6</b>	<b>6.1</b>	<b>2.4</b>	158.1
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\* Unallocated expenses include amortization of client agreements and relations.

The Group's result before taxes was EUR 5.6 (2.2) million including EUR -0.5 (-0.2) million of finance items.

The Group's result for the period was EUR 4.3 (1.6) million in 2021. The earnings for the shareholders of the parent company were EUR 3.7 (1.6) million and the share of the non-controlling interest (holders of the 49% minority in Suvic) totalled EUR 0.6 million. The Group's earnings per share were EUR 0.035 (0.016). Return on average capital employed before taxes (ROI) was 17.6 (7.9) %.

## CASH FLOW, FINANCING AND INVESTMENTS

On December 31, the Group's balance sheet total was EUR 69.6 (44.5) million. The Group's cash and cash equivalents totaled EUR 9.5 (8.5) million. In addition, the Group has an unused credit limit of EUR 2.7 million.

On December 31, the Group's equity totalled EUR 28.4 (23.9) million. Group's equity increased following the Suvic acquisition as Dovre issued 3 million shares to the sellers of Suvic in a directed new share issue. The subscription price of EUR 1.1 million was recorded in full in Dovre Group's invested unrestricted equity fund. At the end of December, the Group's equity ratio was 40.8 (53.6) % and the debt-equity ratio (gearing) -3.7 (-10.1) %. The interest-bearing liabilities amounted to EUR 8.5 (6.1) million, accounting for 12.1 (13.8) % of the Group's shareholders' equity and liabilities. A total of EUR 6.2 (4.2) million of the Group's interest-bearing liabilities were current and a total of EUR 2.3 (1.9) million non-current.

The Group's cash flow includes Suvic Oy's cash flows from April 1, 2021. In 2021, net cash flow from operating activities was EUR 2.3 (4.2) million, which includes a EUR -3.5 (1.9) million change in working capital. Both trade and other receivables and trade and other payables increased following the Suvic acquisition, which in particular influenced the net cash flow from operating activities. In addition, the rapid growth in Singapore increased the working capital needs in 2021.

Net cash flow from investing activities was EUR -2.6 (-1.0) million and relates mainly to the payment of purchase price to the sellers of Suvic Oy in March 2021. The debt-free and net cash purchase price of the transaction was about EUR 3 million, of which EUR 2 million was paid in cash. Net cash flow in the comparison year includes the payment of the additional purchase price to the sellers of Tech4Hire in February 2020.

Net cash flow from financing activities was EUR 0.9 (-0.1) million. The figure includes the withdrawal of a loan corresponding to the cash portion of the Suvic acquisition of EUR 2.0 million. In addition, the Group paid a total of EUR 1.1 (1.0) million in dividends.

The balance sheet goodwill increased with the Suvic acquisition to EUR 20.9 (16.4) million on December 31. No indications of impairment exist.

## CHANGES IN THE GROUP STRUCTURE

With the acquisition closed on March 31, 2021, Suvic Oy became a 51% owned subsidiary of the Dovre Group and reported as a new business area Renewable Energy. There were no other changes in the Group's structure in 2021.

## RESEARCH AND PRODUCT DEVELOPMENT

The Group's research and development costs were EUR 0.2 (0.2) million in 2021, which equals 0.1 (0.2) % of the Group's net sales.

## PERSONNEL

During 2021, the average number of personnel employed by the Group was 796 (629). The increase in the average number of employees was driven by both organic growth in Project Personnel business area and the acquisition of Suvic Oy.

Project Personnel employed 685 (541), Consulting 88 (85) and Renewable Energy 22 (-) people. In the Project Personnel business area 21 (22) % of employees were independent contractors.

<b>Personnel</b>	<b>10–12</b>	<b>10–12</b>	<b>Change</b>	<b>1–12</b>	<b>1–12</b>	<b>Change</b>
Average	<b>2021</b>	<b>2020</b>	<b>%</b>	<b>2021</b>	<b>2020</b>	<b>%</b>
Project Personnel	777	518	49.8	685	541	26.4
Consulting	90	84	7.8	88	85	3.3
Renewable Energy	31			22		
Other Functions	1	3	-62.5	2	3	-40.0
<b>Group total</b>	<b>898</b>	<b>605</b>	<b>48.6</b>	<b>796</b>	<b>629</b>	<b>26.5</b>

The number of people employed at the end of December increased. On December 31, 2021, Dovre Group employed 865 (610) people, 743 (521) of whom were employed by Project Personnel, 90 (86) by Consulting, 32 by Renewable Energy and 1 (3) by Other Functions.

The Group's personnel expenses in 2021 were EUR 85.4 (70.9) million.

## GROUP MANAGEMENT

Miko Olkkonen (M.Sc. Engineering) was appointed as the new Vice President of Finnish Project Personnel business and CEO of Proha Oy as of September 1, 2021. He was also appointed as a member of Dovre Group's Executive team.

There were no other changes in the Group Executive Team. At the end of 2021, Dovre Group's Group Executive Team consisted of Arve Jensen (CEO), Stein Berntsen (President, Consulting), Sirpa Haavisto (CFO), and Miko Olkkonen (Vice President Finland).

The Annual General Meeting of June 10, 2021, re-elected Ilari Koskelo, Kristine Larneng, Antti Manninen, and Svein Stavelin as members of the Board of Directors. Convening after the AGM, the Board elected Svein Stavelin as Chairman of the Board and Ilari Koskelo as Vice Chairman.

## **SHARES, SHAREHOLDERS, AND STOCK OPTIONS**

### **Capital and trading**

Dovre Group Plc has one series of shares. Each share entitles its holder to one vote. Dovre Group Plc's shares are listed on Nasdaq Helsinki Oy.

The share capital of Dovre Group Plc on January 1, 2021, and December 31, 2021, was EUR 9,603,084.48. The total number of shares on January 1, 2021, was 102,956,494. The number of shares increased in the first half of 2021 when the Dovre Group issued 3,000,000 new shares to the sellers of Suvic Oy in a directed share issue. The total number of shares on December 31, 2021, was 105,956,494.

The average number of shares during the period was 104,956,494 shares.

In 2021, altogether 60.2 (31.1) million Dovre Group shares were exchanged on the Nasdaq Helsinki Ltd., corresponding to a trade of approximately EUR 30.9 (8.7) million. During the year, the volume weighted average price of Dovre share was 0.51 (0.28), the lowest quotation was EUR 0.28 (0.20) and the highest EUR 0.78 (0.37). On December 31, 2021, the closing quotation was EUR 0.68 (0.28). The period-end market capitalization was approximately EUR 72.3 (28.7) million.

### **Own shares**

Dovre Group did not repurchase the company's own shares during 2021.

At the beginning of the year, Dovre Group had 870,337 treasury shares. Of these, a total of 633,612 shares were transferred on March 30, 2021, without consideration to the key persons participating in the earning period 2018–2020 of the share-based incentive program 2018 according to the terms and conditions of the program.

At the end of December 2021, Dovre Group Plc held 236,725 of its own shares, representing approximately 0.22% of all the company's shares and votes.



## Shareholders and holdings of the Board of Directors and the CEO

On December 31, the number of registered shareholders of Dovre Group Plc totaled 5,855 (4,016), including 8 (10) nominee-registered. The share of nominee-registered shares was 4.2 (4.2) % 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 8,721,871 (8,227,751) shares in the company, representing 8.2 (8.0) % of all shares and voting rights. The company did not have open stock option plans at the end of the year.

There was one flagging notification during the year. According to the notification received from Kyösti Kakkonen, the ownership of Joensuun Kauppa ja Kone Oy of the shares and voting rights in Dovre Group Plc increased above 10% on June 15, 2021. At the end of the year, the total number of shares and voting rights in Dovre Group Plc held by Joensuun Kauppa ja Kone Oy was 10,340 917,917 pieces (10.04%) and K22 Finance Oy was 2,000,000 pieces (1.88%). Both companies are controlled by Kyösti Kakkonen.

### Holdings of Board of Directors and CEO Dec 31, 2021

Name	Shares, pcs	Percentage of shares
Svein Stavelin	334,613	0.3
Ilari Koskelo	7,279,653	6.9
Antti Manninen	533,485	0.5
Kristine Larneng	0	0.0
<b>Board members, total</b>	<b>8,147,751</b>	<b>7.7</b>
CEO Arve Jensen	574,120	0.5
<b>Total</b>	<b>8,721,871</b>	<b>8.2</b>

### Shareholder agreements

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

### Stock options and long-term incentive plans

At the end of 2021, Dovre Group had no open stock option plans or long-term share-based incentive programs. The vesting period for the long-term share-based incentive and commitment program for the top management for 2018–2020 ended at the beginning of 2021, and the earned shares were transferred to the key personnel involved in March 2021.

## **ANNUAL GENERAL MEETING AND THE AUTHORIZATIONS OF THE BOARD OF DIRECTORS**

Dovre Group Plc's Annual General Meeting (AGM) was held on June 10, 2021. The AGM adopted the financial statements and consolidated financial statements for 2020 and discharged the members of the Board of Directors and the CEO from liability for the financial year ending on December 31, 2020.

In accordance with the Board's proposal, the Annual General Meeting decided that a dividend of EUR 0.01 per share to be paid for the financial year 2020. The dividend was paid on June 28, 2021.

The AGM decided that the number of Board members be set at four (4). Svein Stavelin, Ilari Koskelo, Kristine Larneng, and Antti Manninen were re-elected as members of the Board. The AGM resolved that the chairman of the Board be 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 also compensated.

The AGM elected Audit firm BDO Oy as the company's auditor. BDO Oy informed that Authorized Public Accountant Ari Lehto acted as the principal auditor. The auditor's fee is paid according to the approved invoice submitted by the 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 10,100,000 shares, which corresponds to a maximum of 9.5% of the total number of shares in the company. The authorizations are valid until June 30, 2022, and revoke the previously granted corresponding authorizations.

During 2021, Dovre Group Plc's Board of Directors did not use the authorizations granted in 2020 or 2021 to repurchase own shares. The Board of Directors used the authorization given by the 2020 AGM to decide on the issuance of new shares, the conveyance of own shares and/or the granting of special rights referred to in Chapter 10, Section 1 of the Companies Act when it decided on the directed share issue to the sellers of Suvic Oy in March 2021 and on transferring own shares to key personnel in accordance with the long-term incentive program 2018–2020. The corresponding mandate issued in 2021 is completely unused.

*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>*

## **BUSINESS SEASONALITY**

Dovre Group's Renewable Energy business has stronger seasonality than the other two businesses due to the fact that most of its projects are carried out during the summer months. As the segments fixed costs spread evenly throughout the year, its operating profit is seasonally at its lowest in Q1 and at its highest in Q3.

The Project Personnel and Consulting businesses are carried out more evenly during the year with limited seasonal variations.

## SHORT-TERM RISKS AND UNCERTAINTIES

In the Project Personnel business area, the Group's most significant risks include the cyclical nature of its 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 into new client segments requires expenditure and includes risks. The business area's other challenges are found in maintaining its competitiveness and profitability. The Project Personnel business is project-based by nature, thus adding an element of uncertainty to forecasting. From time to time, there might be a local dependence 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 have as direct an impact on the demand for the Group's services. This is mainly due to the fact that one of the 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.

In the Renewable Energy business area, Suvic has in its normal operations various contractual risks depending on the differences in scope of work for each. These risks are mitigated through performance and various guarantees and insurances.

Dovre Group holds a minority share in SaraRasa Bioindo Pte. Ltd. (Bioindo), a company that produces 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.

The Group's reporting currency is the euro. The Group's most important functional currencies are the Norwegian crown, the Canadian dollar, the Singaporean dollar, and the US 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.

## OTHER EVENTS DURING THE REPORTING PERIOD

During 2021, Suvic started five new windmill park projects and announced two additional projects.

The Karhunnevangas, Puskakorpi, and Merkkikallio projects all started in May 2021. The Karhunnevangas windmill project includes construction of the foundations of 33 windmills for wpd Construction Finland Oy. The Puskakorpi windmill park (Foresight LLP) project consists of turn-key construction of infrastructure for 16 windmills, including roads, lifting platforms, foundations, 110/30 kV power stations, a main power station, a 30 kV internal power grid, and a 110 kV main power grid as ground cabling. In the third project in Merkkikallio (OX2), Suvic is designing and constructing 13 windmills, including lifting platforms, internal roads, foundations, and an internal power grid. Karhunnevangas and Puskakorpi are located in Pyhäjoki, South of Oulu, and Merkkikallio is located near Vaasa and Mustasaari in Western Finland.

In September, Suvic started the Nuolivaara and Lappfjärd projects. Nuolivaara includes the construction of the foundations of 17 windmills for wpd Construction Finland Oy. The Lappfjärd windmill park consists of turn-key construction of the foundations of 31 windmills, including a 30 kV internal power grid for CPC Finland Oy and Prime Capital AG. Nuolivaara is located in Kemijärvi, and Lappfjärd is in the City of Kristiinankaupunki.

In addition, at the end of December 2021, Suvic Oy signed a large project management contract with Finnish energy company Fortum. The contract consists of building for Närpiö's Pjelax-Bölen and Kristinestad's Norr windmill parks the infrastructure for 56 windmills, including roads, lifting platforms, foundations, a 30 kV internal power grid and 110 kV main power grid ground works. Suvic's order backlog for 2022 exceeded EUR 50 million at the end of December 2021.

## **EVENTS AFTER THE REPORTING PERIOD**

### **New windmill park agreements**

On February 3, 2022, Suvic Oy announced a significant turn-key construction project to build Kalistanneva windmill park. The contract is conditional on receiving a "Notice to Proceed" notification, which is expected by the end of February. Kalistanneva is a joint project between Helen Oy and Ålandsbanken's Windpower Investment Fund. The consortium has acquired the project from Valorem Ltd.

The contract consists of building the infrastructure for 30 windmills, including roads, lifting platforms, foundations, a 33/110 kV power station and 33 kV internal grid ground works. The work will commence in April 2022 and is expected to be completed by December 2023.

On February 10, 2022, Suvic announced the signing of a significant turn-key construction project to build the Matkussaari wind farm. The contract is conditional on receiving a "Notice to Proceed" notification, which is expected by the end of February. Matkussaari is a project owned by Valorem Ltd. And, together with the previously announced Kalistanneva wind farm, they are together called Viiatti, with a combined capacity of 313.5 MW.

The contract consists of building the infrastructure for 27 windmills, including roads, lifting platforms, foundations, a 33/110 kV power station and 33 kV internal grid ground works. The installed capacity will be 148,5 MW. The work will commence in April 2022 and is expected to be mainly completed by December 2023. The last task to be performed during 2024 is connecting the 33 kV cabling to the windmills.

With this new contract Suvic's order backlog for 2022 is about EUR 90 million.

## **BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF A DIVIDEND**

On December 31, 2021, the parent company's distributable funds were EUR 21,428,945.17.

Board of Directors proposes to the Annual General Meeting (AGM) to be held on March 30, 2022, that no dividend is paid for 2021 to enable further growth in the Renewable Energy segment.

## **FINANCIAL REPORTING IN 2022**

Dovre Group releases its financial reports in 2022 as follows:

- Q1 trading statement for January 1 – March 31, 2022, on Thursday, April 28, 2022
- Half-year financial report for January 1 – June 30, 2022, on Thursday, August 18, 2022
- Q3 trading statement for January 1 – September 30, 2022, on Wednesday, October 26, 2022

The company's Annual General Meeting is planned to be held on Wednesday, March 30, 2022. Dovre Group's Board of Directors will summon the meeting at a later date.

The Annual Report 2021, which includes the company's financial statements, the report of the Board of Directors, the corporate governance statement, and the remuneration report, will be published online during week 11.

Espoo, February 24, 2022

**DOVRE GROUP PLC**  
**BOARD OF DIRECTORS**

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	10-12 2021	10-12 2020	Change %	1-12 2021	1-12 2020	Change %
<b>NET SALES</b>	<b>42,347</b>	<b>17,812</b>	<b>137.8</b>	<b>142,744</b>	<b>77,474</b>	<b>84.2</b>
Other operating income	6	50	-87.2	265	155	70.9
Material and services	-13,950	-37	-37,831.2	-45,965	-191	-23,988.9
Employee benefit expenses	-24,704	-16,327	-51.3	-85,374	-70,938	-20.4
Depreciation and amortization	-214	-193	-10.7	-854	-839	-1.7
Other operating expenses	-1,702	-709	-139.9	-4,747	-3,310	-43.4
<b>OPERATING RESULT</b>	<b>1,783</b>	<b>595</b>	<b>199.6</b>	<b>6,069</b>	<b>2,351</b>	<b>158.1</b>
Financing income	63	209	-70.0	142	599	-76.4
Financing expenses	-189	-256	26.1	-600	-782	23.3
<b>RESULT BEFORE TAX</b>	<b>1,657</b>	<b>548</b>	<b>202.5</b>	<b>5,610</b>	<b>2,168</b>	<b>158.7</b>
Tax on income from operations	-423	-394	-7.5	-1,299	-526	147.2
<b>RESULT FOR THE PERIOD</b>	<b>1,234</b>	<b>154</b>	<b>701.1</b>	<b>4,311</b>	<b>1,643</b>	<b>162.4</b>
<b>RESULT FOR THE PERIOD</b>						
Equity holders of the parent	1,118	154	625.9	3,667	1,643	123.2
Non-controlling interest	116	0		644	-	
<b>Total</b>	<b>1,234</b>	<b>154</b>	<b>701.1</b>	<b>4,311</b>	<b>1,643</b>	<b>162.4</b>
<b>Other comprehensive income</b>						
Other comprehensive income to be classified to profit or loss in subsequent periods:						
Translation differences	354	855	-58.6	1,383	-1 424	-197.1
Other comprehensive income	354	855	-58.6	1,383	-1 424	-197.1
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,587</b>	<b>1,009</b>	<b>57.3</b>	<b>5,695</b>	<b>219</b>	<b>2,503.3</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>						
Equity holders of the parent	1,472	1,009	45.8	5,050	219	2,208.8
Non-controlling interest	116	0		644	0	
<b>Total</b>	<b>1,587</b>	<b>1,009</b>	<b>57.3</b>	<b>5,695</b>	<b>219</b>	<b>2,503.3</b>
<b>Earnings/share (EUR)</b>						
Basic, result for the period	0.011	0.005	110.4	0.035	0.016	118.8
Diluted, result for the period	0.011	0.005	110.4	0.035	0.016	118.8

	10-12	10-12	1-12	1-12
Number of shares, average	2021	2020	2021	2020
Basic	105,956,494	102,956,494	104,956,494	102,872,348
Diluted	105,956,494	102,956,494	104,956,494	102,872,348
Number of shares, period end	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Basic	105,956,494	102,956,494	105,956,494	102,956,494
Diluted	105,956,494	102,956,494	105,956,494	102,956,494

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	31.12.	31.12.	Change
	2021	2020	%
<b>ASSETS</b>			
Non-current assets			
Intangible assets	2,862	3,151	-9.2
Goodwill	20,898	16,390	27.5
Tangible assets	1,471	1,489	-1.2
Financial assets	1,856	1,056	75.8
Deferred tax assets	197	129	52.6
Non-current assets	27,284	22,215	22.8
Current assets			
Inventory	669	0	
Trade receivables and other receivables	32,165	13,738	134.1
Tax receivable, income tax	29	3	758.2
Cash and cash equivalents	9,500	8,541	11.2
Current assets	42,364	22,282	90.1
<b>TOTAL ASSETS</b>	<b>69,647</b>	<b>44,497</b>	<b>56.5</b>

<b>EQUITY AND LIABILITIES</b>			
Equity attributable to the equity holders of the parent			
Share capital	9,603	9,603	0.0
Reserve for invested non-restricted equity	14,066	12,991	8.3
Fair value reserve	2,869	2,869	0.0
Treasury shares	-237	-237	0.0
Translation differences	-2,906	-4,289	32.3
Retained earnings	5,544	2,932	89.1
Total equity attributable to the equity holders of the parent	28,938	23,869	21.2
Non-controlling interest	-496	0	
Equity	28,442	23,869	19.2
Non-current liabilities			
Deferred tax liability	961	896	7.2
Non-current liabilities, interest-bearing	2,280	1,939	17.6
Provisions	641	0	
Other liabilities	3	0	
Non-current liabilities	3,884	2,835	37.0
Current liabilities			
Short-term liabilities, interest-bearing	6,171	4,195	47.1
Trade payables and other liabilities	30,040	13,219	127.2
Tax liability, income tax	1,110	378	193.4
Current liabilities	37,322	17,793	109.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>69,647</b>	<b>44,497</b>	<b>56.5</b>



**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
- h. Non-controlling interest
- i. Total

EUR thousand	a)	a)	c)	d)	e)	f)	g)	h)	i)
<b>SHAREHOLDERS' EQUITY Jan. 1, 2021</b>	<b>9,603</b>	<b>12,991</b>	<b>2,869</b>	<b>-237</b>	<b>-4,289</b>	<b>2,932</b>	<b>23,869</b>	<b>0</b>	<b>23,869</b>
<b>Comprehensive income</b>									
Result for the period						3,667	3,667	644	4,311
Other comprehensive income Items that may be reclassified to profit and loss in subsequent periods:									
Translation differences	0				1,383		1,383	0	1,383
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,383</b>	<b>3,667</b>	<b>5,050</b>	<b>644</b>	<b>5,695</b>
<b>Transactions with shareholders</b>									-
Directed share issue		1,119					1,119	0	1,119
Dividend distribution						-1,057	-1,057	-1,000	-2,057
Non-controlling interest on acquisition of subsidiary						0	0	-140	-140
Other adjustments		-45			0	3	-42	0	-42
<b>Total transactions with shareholders</b>	<b>0</b>	<b>1,074</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,055</b>	<b>20</b>	<b>-1,140</b>	<b>-1,121</b>
<b>SHAREHOLDERS' EQUITY Dec. 31, 2021</b>	<b>9,603</b>	<b>14,066</b>	<b>2,869</b>	<b>-237</b>	<b>-2,906</b>	<b>5,544</b>	<b>28,938</b>	<b>-496</b>	<b>28,442</b>

EUR thousand	a)	b)	c)	d)	e)	f)	g)		
<b>SHAREHOLDERS' EQUITY Jan. 1, 2020</b>	<b>9,603</b>	<b>12,661</b>	<b>2,869</b>	<b>-237</b>	<b>-2,865</b>	<b>2,288</b>	<b>24,319</b>		
<b>Comprehensive income</b>									
Result for the period						1,643	1,643		
Other comprehensive income Items that may be reclassified to profit and loss in subsequent periods:									
Translation differences					-1,424	0	-1,424		
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,424</b>	<b>1,643</b>	<b>219</b>		
<b>Transactions with shareholders</b>									
Directed share issue		331					331		
Dividend distribution						-1,021	-1,021		
Other adjustments						22	22		
<b>Total transactions with shareholders</b>	<b>0</b>	<b>331</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-999</b>	<b>-668</b>		
<b>SHAREHOLDERS' EQUITY Dec. 31, 2020</b>	<b>9,603</b>	<b>12,992</b>	<b>2,869</b>	<b>-237</b>	<b>-4,289</b>	<b>2,932</b>	<b>23,869</b>		

## CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	10-12 2021	10-12 2020	Change %	1-12 2021	1-12 2020	Change %
<b>Cash flow from operating activities</b>						
Operating result	1,783	595	199.6	6,069	2,351	158.1
Adjustments:						
Depreciation / Amortization	214	193	10.7	854	839	1.7
Other non-monetary items	0	28	-100.0	0	95	-100.0
<b>Adjustments, total</b>	<b>214</b>	<b>221</b>	<b>-3.3</b>	<b>854</b>	<b>934</b>	<b>-8.6</b>
Changes in working capital						
Trade and other receivables, increase (-) / decrease (+)	2,900	1,737	67.0	-18,427	4,363	-522.4
Inventories, increase (-) / decrease (+)	-419	0		-669	0	-
Trade and other payables, increase (+) / decrease (-)	-3,116	-94	3,222.2	15,557	-2,456	-733.4
<b>Changes in working capital, total</b>	<b>-635</b>	<b>1,643</b>	<b>138.7</b>	<b>-3,539</b>	<b>1,907</b>	<b>285.6</b>
Interest paid	-51	-34	-52.7	-205	-151	-35.9
Interest received	2	9	-79.2	16	26	-36.3
Other financial expenses paid and received	-75	-33	-124.7	-294	-136	-116.3
Income taxes paid	-63	-193	-67.4	-567	-685	17.2
<b>Net cash generated by operating activities</b>	<b>1,175</b>	<b>2,209</b>	<b>-46.8</b>	<b>2,333</b>	<b>4,246</b>	<b>45.0</b>
<b>Cash flow from investing activities</b>						
Investments in tangible and intang. assets	-123	-4	-3,232.8	-131	-8	1,516.1
Business acquisitions, less cash and cash equivalents	0	1		-2,476	-980	152.5
<b>Net cash generated by investing activities</b>	<b>-123</b>	<b>-3</b>	<b>4,566.7</b>	<b>-2,607</b>	<b>-989</b>	<b>-163.7</b>
<b>Cash flow from financing activities</b>						
Directed share issue	0	0		0	331	
Proceeds of non-current loans	0	0		2,000	0	
Repayments of non-current loans	0	0		-764	0	
Proceeds from short-term loans	1,677	879	90.9	1,677	1,296	29.4
Repayments of short-term loans	-205	-126	-62.2	-606	-306	98.2
Repayments of lease liabilities	-101	-73	-38.2	-381	-373	2.1
Dividends paid	0	-1,017	-100.0	-1,057	-1,017	3.9
<b>Net cash generated by financing activities</b>	<b>1,371</b>	<b>-338</b>	<b>-505.9</b>	<b>870</b>	<b>-69</b>	<b>1,359.3</b>
Translation differences	158	100	58.1	363	-441	182.4
<b>Change in cash and cash equivalents</b>	<b>2,581</b>	<b>1,968</b>	<b>31.2</b>	<b>959</b>	<b>2,747</b>	<b>-65.1</b>
Cash and cash equivalents at beginning of the period	6,919	6,574	5.2	8,541	5,794	47.4
<b>Cash and cash equivalents at end of the period</b>	<b>9,500</b>	<b>8,541</b>	<b>11.2</b>	<b>9,500</b>	<b>8,541</b>	<b>11.2</b>

## NOTES

The financial statements release has been prepared according to the IAS 34 standard. The accounting policies adopted are consistent with those of the annual financial statements for 2020 and comply with changes in IAS/IFRS standards effective from January 1, 2021, that had no material impact on the interim review. All figures presented have been rounded, which may cause, for example, the sum of individual figures to deviate from the presented sum total.

### 1. OPERATING SEGMENTS

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

- The Project Personnel business area provides project personnel services for large investment projects worldwide.
- The Consulting business area provides management and project management consulting and project management software for enterprise level management in the Nordic countries.
- The Renewable Energy business area provides project management, design, and construction mainly for wind farm contracts in the Nordic and Baltic 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	2021	2020	Change
Project Personnel	76,205	62,941	21.1%
Consulting	16,138	14,533	11.0%
Renewable Energy	50,401	0	N/A
<b>Total</b>	<b>142,744</b>	<b>77,474</b>	<b>84.2%</b>

In 2021, the Dovre Group had three clients, each accounting for more than 10% of the Group's net sales. The Group's net sales from these clients were approximately EUR 48.0 million. Two clients belonged to the Renewable Energy business area and one client to the Project Personnel business area. In 2020, the Dovre Group had one major client, which accounted for more than 10% of the Group's net sales. The Group's turnover from this client was approximately EUR 9.3 million in 2020.

### OPERATING RESULT

EUR thousand	2021	2020	Change
Project Personnel	2,911	1,886	54.4%
Consulting	2,299	1,480	55.3%
Renewable Energy	1,881	0	N/A
Other Functions	-742	-731	-1.5%
Unallocated	-281	-284	1.0%
<b>Total</b>	<b>6,069</b>	<b>2,352</b>	<b>158.1%</b>

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Other Functions are the common resources used by all segments of the Group and shareholders' expenses.

Expenses not allocated to segments include amortization of client agreements and related client relationships.

## PERSONNEL

<b>Average number of personnel</b>	<b>2021</b>	<b>2020</b>
Project Personnel	685	541
Consulting	87	85
Renewable Energy	22	0
Other Functions	2	3
<b>Total</b>	<b>796</b>	<b>629</b>

In the Project Personnel business area, 21 (22) % of personnel were independent contractors.

## 2. NET SALES

### Net sales by revenue type

<b>EUR thousand</b>	<b>2021</b>	<b>% of net sales</b>	<b>2020</b>	<b>% of net sales</b>
Services	91,855	64.3%	77,001	99.4%
License revenue	285	0.2%	278	0.4%
Maintenance	202	0.1%	195	0.3%
Project revenue	50,401	35.3%	0	N/A
<b>Total</b>	<b>142,742</b>	<b>100.0%</b>	<b>77,474</b>	<b>100.0%</b>

### Net sales by domicile of the company

<b>EUR thousand</b>	<b>2021</b>	<b>% of net sales</b>	<b>2020</b>	<b>% of net sales</b>
Finland	56,112	39.3%	7,000	9.0%
Norway	57,013	39.9%	52,864	68.2%
Canada/US	7,382	5.2%	7,747	10.0%
Singapore	22,236	15.6%	9,863	12.7%
Other countries	0	0.0%	0	0.0%
<b>Total</b>	<b>142,742</b>	<b>100.0%</b>	<b>77,474</b>	<b>100.0%</b>

### 3. ACQUIRED BUSINESSES

#### Acquisitions in 2021

##### Suvic Oy

On March 31, 2021, Dovre Group acquired a majority shareholding (51%) in the Finnish windmill park construction and construction design company Suvic Oy. Suvic specializes in contracting for wind farms and project management contracting in both wind power and industrial construction.

The debt-free and cash-free purchase price of the arrangement was approximately EUR 3.1 million, of which EUR 2 million was paid in cash. In addition, a total of 3 million Dovre Group Plc shares were transferred to Suvic's sellers, which will be issued by Dovre Group in a share issue to sellers. The subscription price of approximately EUR 1.1 was fully recorded in Dovre Group's invested unrestricted equity fund.

The costs of advisory and expert services related to the transaction, approximately EUR 51 thousand, have been included in other operating expenses in the income statement. The costs related to the directed share issue, approximately EUR 45 thousand, have been recorded in the invested unrestricted equity fund.

The effect of the acquired business since the acquisition date has been EUR 11.2 million on the Group's net sales and EUR -0.1 million on the result for the financial year. If the acquisition had taken place on 1 January 2021, the effect on the Group's net sales would have been EUR 13.9 million and on the result EUR -0.5 million.

The balance sheet values of trade receivables and payables of the acquired business correspond to their fair values.

##### Consideration

EUR thousand

Cash	2,000
Share issue	1,119
<b>Total consideration</b>	<b>3,119</b>

##### The assets and liabilities recognized as a result of the acquisition are as follows:

EUR thousand	Fair value
Intangible assets	23
Tangible assets	293
Deferred tax assets	78
Trade receivables and other receivables	2,113
Financial assets	794
Cash and cash equivalents	88
Financial liabilities	-226
Trade payables and other payables	-3,051
Warranty provisions	-398
<b>Net identifiable assets acquired</b>	<b>-286</b>

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<b>Less: non-controlling interest</b>	<b>140</b>
<b>Add: goodwill</b>	<b>3,265</b>
<b>Net assets acquired</b>	<b>3,119</b>

### eSite

In August, the Dovre Group acquired eSite's businesses from the energy company Fortum. eSite is a reality capture start-up company that specializes in 3D-imaging of industrial sites.

The acquisition did not have a material impact on Dovre's 2021 results or financial position. Goodwill arising from the acquired business EUR 0.3 million is included in Consulting's goodwill.

### Acquisitions in 2020

The Group had no acquisitions in 2020.

## 4. GOODWILL

<b>EUR thousand</b>	<b>2021</b>	<b>2020</b>
Acquisition cost, Jan. 1	16,390	17,443
Additions	3,565	0
Translation differences (+/-)	942	-1 053
<b>Book value, Dec. 31</b>	<b>20,898</b>	<b>16,390</b>

The 2021 increase of goodwill is related to the Suvic and eSite acquisitions.

### **Goodwill by cash generating units:**

<b>EUR thousand</b>	<b>2021</b>	<b>2020</b>
Project Personnel	16,610	15,668
Consulting	1,023	723
Renewable Energy	3,265	0
<b>Total</b>	<b>20,898</b>	<b>16,390</b>

The annual impairment test of all cash-generating units is performed at the end of the year. For project personnel, in addition to goodwill, an NPC trademark with an unlimited useful life is tested. The book value of the trademark was approximately EUR 1.3 million on December 31, 2021 (EUR 1.3 million on December 31, 2020).

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 area's market position, and growth potential in the business area's market. The discount rate is determined using a capital structure based on peer group balance sheets and financial statements.

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

## Key variables

	2021	2020
Average growth in net sales, %		
Project Personnel	10.3	12.5
Consulting	8.3	2.5
Renewable Energy	23.9	-
Average EBIT, %		
Project Personnel	4.4	3.6
Consulting	11.1	11.2
Renewable Energy	4.5	-
Terminal growth rate, %		
Project Personnel	1.0	1.0
Consulting	1.0	1.0
Renewable Energy	1.0	-
Pre-tax discount rate, %		
Project Personnel	11.7	11.8
Consulting	11.7	12.0
Renewable Energy	12.7	-

The table below shows the sensitivity of the key assumptions at which the value in use is equal to the book value (with other parameters remaining unchanged).

	Change
EBIT %, %-unit	
Project Personnel	-2.3
Consulting	-10.5
Renewable Energy	-4.1
Pre-tax discount rate, %-unit	
Project Personnel	24.3
Consulting	407.0
Renewable Energy	178.5

## 5. LEASES

Dovre Group's right-to-use assets are office leases and site equipment. Office leases are included in the balance sheet item Fixed assets, buildings. Leased construction equipment is included in the balance sheet item Fixed assets, machinery, and equipment.

The majority of office rents are fixed-term agreements, and some of these agreements include an option to extend the agreement periodically. Dovre has assessed the use of the leases to determine whether the leases will be used. Contracts that are valid for an indefinite period with a notice period of 3 to 12 months have a probable lease term of 2 to 4 years.

Suic Oy, a subsidiary of the Renewable Energy business area, also has leased construction equipment. The agreements are for a fixed period of 3 to 5 years.

### Leasing liabilities

EUR thousand	Dec 31 2021	Dec 31 2020
Long-term leasing liabilities	980	1 175
Short-term leasing liabilities	460	352
<b>Total</b>	<b>1,440</b>	<b>1,527</b>

### Maturity profile of payments due

EUR thousand	Dec 31 2021	Dec 31 2020
0-1	460	352
1-2	407	323
2-3	302	327
3-4	172	252
4-5	99	134
Over 5 years	0	138
<b>Total</b>	<b>1,440</b>	<b>1,527</b>

### Cash flow effect of leases

EUR thousand	Dec 31 2021	Dec 31 2020
Lease liability amortization payments	-381	-373
Lease liability interest payments	-51	-60
<b>Total</b>	<b>-432</b>	<b>-432</b>

### Income statement items for leases

EUR thousand	2021	2020
Depreciation of right-of-use assets	-437	-413
Interest expense on lease liabilities	-49	-60
Lease expenses for leases of low value	-73	-19
Expenses related to variable lease payments not included in the measurement of lease liabilities	-154	-64
<b>Total</b>	<b>-714</b>	<b>-556</b>

## 6. FINANCIAL ASSETS

### Financial assets at fair value through profit and loss:

EUR thousand	Dec 31 2021	Dec 31 2020
Unquoted equity investment	1,056	1,056
Fund investments	800	0
<b>Total</b>	<b>1,856</b>	<b>1,056</b>

### Unquoted equity investment

Unquoted equity investment includes Dovre Group Plc's ownership in SaraRasa Bioindo Pte. Ltd. (Bioindo). Dovre Group Plc's ownership was 19.86% at year-end 2021. Dovre Group's investment in

Dovre Group Oyj



Bioindo is not part of the Group's core business. The category of the investment's fair value measurement is Level 3.

The audited equity of Bioindo was USD 2.5 million at year-end 2021 (USD 1.3 million at year-end 2020). The estimated unaudited 2021 result was approximately USD 0.6 million.

SaraRasa has agreed to supply its entire production of pellets until January 2024.

SaraRasa Bioindo Pte. Ltd, a wholly owned subsidiary of PT SaraRasa Biomass, has expanded production at its plant location in Surabaya. Production capacity has increased by more than 20% and storage capacity by more than 100% compared to 2020. The expansion of the plant was completed at the end of 2021. The expansion of the existing plant is expected to improve the plant's profitability due to economies of scale and was funded by the company's additional cash.

#### Fund investments

Fund investments include the mutual fund units of Dovre's subsidiary Suvic Oy.

## 7. TRADE AND OTHER RECEIVABLES

EUR thousand	Dec 31, 2021	Dec 31, 2020
Trade receivables	26,997	12,802
Valuation allowance for trade receivables	-25	-24
Other receivables	139	163
Accrued income on sales	5,054	797
<b>Total</b>	<b>32,165</b>	<b>13,738</b>

#### **Accrued income**

EUR thousand	Dec 31, 2021	Dec 31, 2020
Revenue recognition according to the percentage of completion	3,822	0
Accrued income from sales	661	626
Other accrued income	571	172
<b>Total</b>	<b>5,054</b>	<b>797</b>

Other accrued expenses include accruals for operating expenses.

The book values of the receivables are based on a reasonable estimate of their fair value. Dovre Group has not recognized an expected credit loss provision in accordance with IFRS 9 for trade receivables, as Dovre Group has not been able to estimate it reliably due to the small amount of realized credit losses. The amount of impairment of trade receivables realized during the last 10 years has averaged EUR 12 thousand, which is an average of 0.07% of trade receivables.

**Aging analysis of trade receivables**

EUR thousand	Dec. 31, 2021	Dec. 31, 2020
Not due	18,748	8,793
Overdue		
1 - 30 days	5,287	3,380
31 - 60 days	2,152	440
61 - 90 days	314	181
Over 90 days	496	8
<b>Total</b>	<b>26,997</b>	<b>12,802</b>

**8. GROUP COMMITMENTS**

EUR thousand	Dec. 31, 2021	Dec. 31, 2020
Collateral for loans from financial institutions and credit limits		
Floating charges	5,606	5,348
Pledged shares, book value in Group	5,000	3,000
Loan guarantee for overdraft	1,325	1,222
Other guarantees	3,107	2,961
	<b>15,038</b>	<b>12,532</b>
Counter-guarantees for guarantees during work and warranty periods		
Mutual fund units	300	0
Floating charges	6,000	0
	<b>6,300</b>	<b>0</b>

**Disputes and court proceedings**

The Group has no pending disputes or court proceedings.

## 9. GROUP QUARTERLY INFORMATION

	2021	2020	2021	2020	2021	2020	2021	2020
EUR thousand	1-3	1-3	4-6	4-6	7-9	7-9	10-12	10-12
<b>NET SALES</b>	<b>19,704</b>	<b>23,615</b>	<b>34,195</b>	<b>19,540</b>	<b>46,497</b>	<b>16,507</b>	<b>42,347</b>	<b>17,812</b>
Other operating income	-15	15	15	82	258	7	8	50
Material and services	-43	-57	-10,704	-60	-21,269	-37	-13,950	-37
Employee benefits expense	-17,817	-21,464	-21,481	-18,097	-21,372	-15,050	-24,706	-16,327
Other operating expenses	-790	-1,190	-1,013	-783	-1,241	-627	-1,702	-709
<b>EBITDA</b>	<b>1,038</b>	<b>919</b>	<b>1,013</b>	<b>681</b>	<b>2,874</b>	<b>801</b>	<b>1,998</b>	<b>789</b>
Depreciation and amortization	-193	-210	-224	-237	-222	-199	-214	-193
<b>OPERATING RESULT (EBIT)</b>	<b>845</b>	<b>709</b>	<b>789</b>	<b>445</b>	<b>2,651</b>	<b>602</b>	<b>1,783</b>	<b>595</b>

## 10. GROUP KEY FINANCIAL PERFORMANCE INDICATORS

	1-12	1-12
EUR million	2020	2020
Cash and cash equivalents	9.5	8.5
Interest-bearing liabilities	8.5	6.1
Net debt	-1.0	-2.4
Shareholders' equity	28.9	23.9
Equity	28.4	23.9
Balance sheet total	69.6	44.5
Return on equity, %	14.0%	6.8%
Return on investment, %	17.6%	7.9%
Debt-equity ratio (Gearing), %	-3.7 %	-10.1%
Equity-ratio, %	40.8%	53.6%
Personnel (average for period)	796	629
Personnel (at end of period)	865	610
Earnings per share, EUR (basic, average for period)	0.035	0.016
Equity per share, EUR (basic, end of period)	0.14	0.23