

Dovre Group Plc

Stock exchange release

April 25, 2024, at 9.15 a.m.

DOVRE GROUP TRADING STATEMENT JANUARY 1 – MARCH 31, 2024**Significant write-down of a single renewable project led to a negative operating profit**

Dovre Group Plc issues today a trading statement for the three months ended on March 31, 2024. The figures presented in this trading statement are not audited. Last year's corresponding period in parentheses.

January – March 2024

- Net sales EUR 42.3 (45.8) million – decrease 7.6%
 - Project Personnel: net sales EUR 25.2 (24.8) million – increase 1.7%
 - Consulting: net sales EUR 3.6 (5.1) million – decrease 29.6%
 - Renewable Energy: net sales EUR 13.5 (15.9) million - decrease 15.1%
- EBITDA EUR -4.6 (1.9) million
- Operating result EUR -4.9 (1.7) million
- Result before tax EUR -5.1 (1.5) million
- Result for the shareholders of the parent company EUR -2.4 (1.0) million
- Earnings per share EUR -0.023 (0.010)
- Net cash flow from operating activities EUR -1.9 (4.3) million

Dovre Group's profitability for the period was clearly negative due to a significant write-down (5.8 million euros) of a single renewable energy project. The project was technically successful but exceeded the cost budget considerably. Corrective actions have been taken and Suvic expects the remainder of the 2024 to clearly exceed the comparison period of 2023 in both revenue and EBIT.

Outlook for 2024

Dovre Group's net sales are expected to be in the range of 185 - 210 MEUR and the Operating Profit (EBIT) is expected to be in the range of 2 - 4 MEUR.

The lower than 2023 EBIT is due to the above mentioned significant one-time write-down of a single renewable project in Q1.

Dovre's Project personnel and Consulting business areas are expected to decline in both revenue and EBIT compared to 2023 due to the completion of a major project in Canada and somewhat slower activity in the Norwegian public sector.

ARVE JENSEN, CEO:

In Q1 2024, Dovre Group posted total net sales of EUR 42.3 million, reflecting a 7.6% decrease compared to the same period in 2023. Our Project Personnel segment continued to perform well, reporting sales of 1.7% higher than the previous year. By contrast, the Consulting segment reported a 29.6% decrease, while Renewable Energy experienced a 15.9% decrease in net sales during Q1 2024.

Our Project Personnel business area remained highly active. We also successfully implemented restructuring the EMEA unit in Finland, consolidating the essential parts of project personnel to Norway. The objective was to improve the profitability and quality of service by centralizing operations in Norway and streamlining the remaining operations in Finland.

The Consulting business area has been negatively impacted by a slower market in the public sector in Norway and Norwegian legislation on hiring practices. Meanwhile, the Finnish market remains stable and profitable following the restructuring.

In the Renewable Energy business area, our subsidiary Suvic has had a very busy start of the year due to the commencement of the next phases of the two Swedish windfarm projects (Vitberget and Storhöjden) alongside the existing projects in Finland.

As informed in the recent stock release, Outlook for 2024, Suvic has decided to write down a significant loss of 5.8 MEUR for one project. Although the project was technically successful, it exceeded the cost budget considerably. Corrective actions have therefore been taken and Suvic expects the remainder of the year to clearly exceed the comparison period for 2023.

NET SALES

In Q1, Dovre Group's net sales decreased by 7.6% to EUR 42.3 (45.8). Project Personnel accounted for 60% (54), Consulting for 8% (11) and Renewable Energy for 32% (35) of the Group's net sales.

Project Personnel's net sales increased by 1.7% to EUR 25.2 (24.8) million. Net sales for Consulting decreased by 29.6% to EUR 3.6 (5.1) million. Net sales for Renewable decreased by 15.1% to EUR 13.5 (15.9) million.

Net sales by reporting segment	1-3	1-3	Change	1-12
EUR million	2024	2023	%	2023
Project Personnel	25,2	24,8	1,7	108,8
Consulting	3,6	5,1	-29,6	16,5
Renewable Energy	13,5	15,9	-15,1	71,4
Group total	42,3	45,8	-7,6	196,7

PROFITABILITY

Dovre Group's profitability for the period was clearly negative due to the above-mentioned significant write-down (5.8 million euros) of a single renewable energy project.

The Group's EBITDA was 4.6 EUR million negative (1.9 MEUR positive)
The Group's operating profit was 4.9 EUR million negative (1.7 MEUR positive)

Project Personnel's operating profit was EUR 0.7 (1.2) million, Consulting's operating profit was EUR 0.3 (0.6) million and Renewable Energy's operating loss was 5.7 (0.2 MEUR positive) million.

The operating loss of the Group's Other functions was EUR 0.2 (0.2) million.

EBITDA	1-3	1-3	Change	1-12
EUR million	2024	2023	%	2023
Project Personnel	0,8	1,3	-35,8	5,3
Consulting	0,3	0,6	-39,6	1,7
Renewable Energy	-5,6	0,3		2,0
Other functions	-0,2	-0,2	19,3	-0,7
Unallocated *)	0,0	0,0	0,0	0,0
Group total	-4,6	1,9		8,4

Operating result (EBIT)	1-3	1-3	Change	1-12
EUR million	2024	2023	%	2023
Project Personnel	0,7	1,2	-40,5	4,9
Consulting	0,3	0,6	-39,7	1,7
Renewable Energy	-5,7	0,2		1,8
Other functions	-0,2	-0,2	18,7	-0,7
Unallocated *)	-0,1	-0,1	-0,5	-0,3
Group total	-4,9	1,7		7,4

**Unallocated expenses include amortization of customer agreements and relations.*

PERSONNEL

The Dovre Group employed an average of 812 people (797) during the review period.

On March 31, 2024, Dovre Group employed 837 (807) people, 686 (656) of whom were employed by Project Personnel, 80 (106) by Consulting, 68 (43) by Renewable Energy and 3 (2) by Other Functions.

Average number of personnel	1-3	1-3	Change	1-12
Number of persons	2024	2023	%	2023
Project Personnel	669	646	3,6	686
Consulting	80	106	-24,8	97
Renewable Energy	60	43	39,5	50
Other functions	3	2	50,0	2
Group total	812	797	1,9	835

Personnel at period-end	31 Mar	31 Mar	Change	31 Dec
Number of persons	2024	2023	%	2023
Project Personnel	686	656	4,6	679
Consulting	80	106	-24,5	84
Renewable Energy	68	43	58,1	54
Other functions	3	2	50,0	3
Group total	837	807	3,7	820

CASH POSITION

On March 31, 2024, the Group's net debt was EUR 3.8 (-6.7) million. The Group's cash and cash equivalents totaled EUR 11.3 (13.5) million. The Group's interest-bearing liabilities were EUR 15.1 (6.9) million, a total of EUR 8.1 (5.8) million of which were current and EUR 7.0 (1.0) million non-current.

In Q1, net cash flow from operating activities was EUR -1,9 (4.3) million, which includes EUR 2.9 (3.5) million decrease in working capital. The decrease in working capital is primarily due to Renewable Energy business.

OTHER EVENTS DURING THE REVIEW PERIOD

Suvic AB, a subsidiary of Suvic Oy, has received a Notice to Proceed for the Storhöjden wind farm

Suvic has received a Notice to Proceed from the customer for the Storhöjden wind farm and will start the actual construction work in Sweden. The work will be carried out by Suvic AB, a wholly owned Swedish subsidiary of Suvic Oy.

With this notification, the conditional contract for Storhöjden announced on 20.12.2023 thus becomes a BoP contract.

Suvic has already completed some design, field surveys and preliminary road alignments in Storhöjden as part of the early works agreement. "The actual work will start with topsoil removal, site mobilisation and quarrying, after which we will build the lifting fields and roadways. The foundations and cabling for the wind turbines are planned to be completed by December 2024," says **Olli Niemelä**, COO of Suvic's Swedish site operations, explaining the construction schedule for the park.

The park of 22 wind turbines in Kramfors municipality is part of the High Coast project. The BoP is being made with Adalen and HC Wind – SPVs launched by Renewable Power Capital Ltd. (RPC). Headquartered in London, RPC is backed by CPP Investment Board and was founded in 2020 to develop, construct, own and operate renewable energy and industrial scale storage projects across Europe.

Tricon and Suvic to build a heat pump plant for Fortum in Espoo's Hepokorpi data centre area.

A Working Association of Tricon and Suvic is building a heat pump plant recovering waste heat for Fortum's district heating network in the future data centre area of Espoo. Together with the previously announced heat pump plant in the Kolabacken data centre area of Kirkkonummi, the project will create an unprecedented scale of waste heat utilization.

The heat pump facility at the Hepokorpi data center utilizes waste heat and ambient air. It includes a recovery building housing heat pumps for heat recovery from the data center, air-to-water heat pumps, and electric boiler. The client for the project is Fortum Power and Heat Ltd.

"The Hepokorvi data centre is optimally located close to the district heating network. It is fantastic that we get to build both Fortum's Kirkkonummi and Espoo heat pump plants. The utilisation of waste heat complements our service portfolio for the construction of carbon dioxide-free energy production, which also includes wind power and solar power plants," says Ville Vesanen, CEO of Suvic, about the project.

The waste heat from data centres can replace a significant share of the fossil fuel based heat production in Espoo's district heating network area. In practice, the heat from the data centre's indoor air is transferred through a heat exchanger to water, which flows in a closed loop to the heat pump plant. Heat is transferred from the plant as required to the district heating system and to thousands of homes and other users. The aim is to produce heat from the 2025–2026 heating season onwards.

"The projects in Espoo and Kirkkonummi promote decarbonization, and at the same time, households, services, and businesses receive competitive, clean, and reliable electric-based district heating. Fortum's district heating in Finland will be carbon-free by 2024 and carbon-neutral before 2030," summarizes the benefits of the project Teemu Nieminen, Project Director from Fortum's Heating and Cooling Business.

"The site will be ready for installation in spring 2025. The construction of the Hepokorvi heat pump plant will be somewhat more demanding than the construction of the similar plant in Kolabacken, Kirkkonummi. This is due to the soil, the size of the Hepokorvi site and its location between the power lines and Ring III," says Jukka Kallio of Suvic, project manager for both projects.

In Espoo, April 25, 2024

DOVRE GROUP PLC
BOARD OF DIRECTORS

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