

Dovre Group Plc

Stock exchange release

April 27, 2023, at 9.15 a.m.

DOVRE GROUP TRADING STATEMENT JANUARY 1 – MARCH 31, 2023**Dovre delivered a solid start of the year**

Dovre Group Plc issues today a trading statement for the three months ended on March 31, 2023. The figures presented in this trading statement are not audited. Last year's corresponding period in parentheses.

January – March 2023

- Net sales EUR 45.8 (47.8) million – decrease 4.3%
 - Project Personnel: net sales EUR 24.8 (22.7) million – increase 9.0%
 - Consulting: net sales EUR 5.1 (4.4) million – increase 17.1%
 - Renewable Energy: net sales EUR 15.9 (20.7) million - decrease 23.2%
- EBITDA EUR 1.9 (1.9) million – increase 1.0%
- Operating profit EUR 1.7 (1.7) million – increase 0.3%
- Profit before tax EUR 1.5 (1.4) million – increase 2.0%
- Profit for the shareholders of the parent company EUR 1.0 (1.1) million – decrease of 7.0%
- Earnings per share EUR 0.010 (0.010) – decrease of 7.0%
- Net cash flow from operating activities EUR 4.3 (2.0) million

Outlook for 2023 unchanged (first published on February 23, 2023)

Dovre Group's net sales are expected to improve from 2022 and the operating profit (EBIT) is expected to be about the same as in 2022.

ARVE JENSEN, CEO:

Dovre Group's net sales decreased by 4.3% to EUR 45.8 million. Year-on-year fluctuations in foreign currency exchange rates had impact on the Group's net sales in Q1. At fixed currencies, the year-on-year growth of net sales in Q1 would have been 4.9% instead of decrease of -4.3%. In particular, the weakened Norwegian crown had the effect of decreasing net sales.

Our operating profit, on the other hand, remained at the previous year's level, at EUR 1.7 (1.7). Q1 operating profit margin stood at 3.7% (3.5%).

Project Personnel and Consulting increased their sales significantly. For Q1, Project Personnel increased its net sales by 9% and Consulting by 17%. Renewable Energy decreased its net sales by 23%. In Renewable Energy, the seasonality of the business is stronger than in other segments, with windmill park construction performed mainly during the summer season. The activity in the wind park construction market has been lower and delayed in timeline compared to 2022. Probable reasons are increased cost of capital and somewhat limited capacity to accept new connection requests to the National Power Grid System.

The growth in our Project Personnel and Consulting business has been supported by increased demand for our services, especially in Norway. By geographical market area, our largest sales increase was in North America and in EMEA countries.

The Renewable Energy business, which consists of Suvic Oy's business has become a significant part of our business. During the review period, Suvic signed an EPC contract with CPC Finland Oy valued at about 18 million euros to build Lakari solar park. The solar park has a maximum output capacity of 32 MW and therefore it is the largest solar park in Finland under construction and when in operation. The yearly production is estimated to be about 32 000 MWh. The Lakari project constitutes a significant expansion into a new business area for Dovre Group.

There are several concerns in our operating environment, such as the current geopolitical situation and high inflation. At the same time, the demand for energy is forcing governments and the private sector to seek new energy-efficient solutions, which we believe will lead to an increasing demand in all our business areas. The new legislation for temporary hire in Norway has been implemented from April 1st. We have seen only minor negative impact from this legislature to Dovre. In the energy sector, the Unions and our corporate clients have been able to negotiate amicable solutions to the requirements of this new legislature. In the public sector, some of the clients have delayed their inquiries, but due to the high demand for specialists we are still positive on the market developments.

NET SALES

In Q1, Dovre Group's net sales decreased by 4.3% to EUR 45.8 (47.8). Year-on-year fluctuations in foreign currency exchange rates had impact on the Group's net sales in Q1. At fixed currencies, the year-on-year growth of net sales in Q1 would have been 4.9% instead of decrease of -4.3%.

Project Personnel accounted for 54 (48) percent, Consulting for 11 (9) percent and Renewable Energy for 35 (43) of the Group's net sales.

Project Personnel's net sales increased by 9.0% to EUR 24.8 (22.7) million. Net sales for Consulting increased by 17.1 percent to EUR 5.1 (4.4) million. Net sales for Renewable Energy decreased by 23.2 percent to EUR 15.9 (20.7) million.

Net sales by reporting segment	1–3	1–3	Change	1–12
EUR million	2023	2022	%	2022
Project Personnel	24.8	22.7	9.0	90.6
Consulting	5.1	4.4	17.1	18.2
Renewable Energy	15.9	20.7	-23.2	94.2
Group total	45.8	47.8	-4.3	203.0

OPERATING PROFIT

The Group's EBITDA in Q1 improved by 1.0% to EUR 1.9 (1.9) million.

The Group's operating profit in Q1 improved by 0.3% to EUR 1.7 (1.7) million. Project Personnel's operating profit was EUR 1.2 (1.1) million, Consulting's operating profit was EUR 0.6 (0.4) million and Renewable Energy's operating profit was EUR 0.2 (0.5) million. The operating loss of the Group's Other functions was EUR 0.2 (0.2) million.

Operating result (EBIT)	1–3	1–3	Change	1–12
EUR million	2023	2022	%	2022
Project Personnel	1.2	1.1	4.7	4.3
Consulting	0.6	0.4	54.3	2.5
Renewable Energy	0.2	0.5	-54.9	2.7
Other Functions	-0.2	-0.2	-21.3	-0.7
Unallocated *)	-0.1	-0.1	46.5	-0.3
Group total	1.7	1.7	0.3	8.5

EBITDA	1–3	1–3	Change	1–12
EUR million	2023	2022	%	2022
Project Personnel	1.3	1.3	4.9	4.7
Consulting	0.6	0.4	49.3	2.5
Renewable Energy	0.3	0.5	-47.6	2.9
Other Functions	-0.2	-0.2	-25.2	-0.7
Unallocated *)	0.0	-0.1	89.7	0.0
Group total	1.9	1.9	1.0	9.5

*Unallocated expenses include amortization of customer agreements and relations.

PERSONNEL

The Dovre Group employed an average of 797 people (795) during the review period.

On March 31, 2023, Dovre Group employed 807 (796) people, 656 (674) of whom were employed by Project Personnel, 106 (88) by Consulting, 43 (34) by Renewable Energy and 2 (1) by Other Functions.

	1–3	1–3	Change	1–12
Average number of employees	2023	2022	%	2022
Project Personnel	646	672	-3,8	642
Consulting	106	89	19,7	98
Renewable Energy	43	33	29,0	38
Other Functions	2	1	100,0	1
Group total	797	795	0,3	779

Personnel at period-end	31 Mar	31 Mar	Change	31 Dec
Number of employees	2023	2022	%	2022
Project Personnel	656	674	-2,6	583
Consulting	106	88	21,1	100
Renewable Energy	43	34	26,5	43
Other Functions	2	1	100,0	2
Group total	807	796	1,4	728

CASH POSITION

On March 31, 2023, the Group's net debt was EUR -6.7 (-2.8) million. The Group's cash and cash equivalents totaled EUR 13.5 (10.5) million. The Group's interest-bearing liabilities were at the comparison period's level at EUR 6.9 (7.7) million, a total of EUR 5.8 (5.5) million of which were current and EUR 1.0 (2.2) million non-current.

In Q1, net cash flow from operating activities increased to EUR 4.3 (2.0) million, which includes EUR 3.5 (0.6) million change in working capital. Increase in working capital is primarily due to Renewable Energy business.

OTHER EVENTS DURING THE REVIEW PERIOD**Suovic signed an EPC contract to build a 32 MW solar farm**

In March, Suovic Oy signed an EPC contract with CPC Finland Oy valued at about 18 million euros to build Lakari solar park. The solar park has a maximum output capacity of 32 MW and therefore it is the largest solar park in Finland under construction and when in operation. The yearly production is estimated to be about 32 000 MWh. The Lakari project constitutes a significant expansion into a new business area for Dovre Group.

The solar park will be in Lakari, near the city of Rauma, and it will cover an area of about 40 hectares. The construction work will commence in the spring of 2023 and the project is expected to be ready in the beginning of 2024.

With this significant new contract Suovic's order backlog for 2023 will be about 50 million euros. At the same time Suovic shows that it can expand into new areas of renewable energy construction.

Dovre co-founding Renetec Oy, a renewable energy development company initially focusing on solar power

Dovre continues to execute its strategy in the renewables industry by founding a project development company Renetec Oy in March together with top experts in the field, Janne Mielck and Juhani Kanerva.

The company will initially focus on land sourcing, project development and construction management of new sites for industrial scale solar power plants, as well as operating and managing parks already in production. Renetec also offers advisory and consulting, such as feasibility studies and management consulting for energy companies, industrial stakeholders, and investors. The company's market area is Europe.

Renetec aims to develop projects on its own as well as in cooperation with other project developers and other stakeholders in the market. In our view, partnering is an essential success factor allowing the projects to be run with improved resources, credibility, and skills.

In Espoo, April 27, 2023

DOVRE GROUP PLC
BOARD OF DIRECTORS

Dovre Group Plc

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