

Dovre Group Plc Half year financial statement August 18, 2022 at 8.45 a.m.

DOVRE GROUP'S HALF-YEAR FINANCIAL REPORT 1.1.–30.6.2022: DOVRE CONTINUED ITS STRONG PROFITABLE GROWTH IN H1 2022

The figures presented in this half-year financial report are not audited. Last year's corresponding period in parentheses. Renewable Energy segment, consisting of the operations of the windmill park construction and construction design company Suvic Oy is fully consolidated in the Group's financial statements from 1 April 2021 onwards. The non-controlling interest (49%) is presented as a separate line item in the income statements and balance sheet.

April–June 2022

- Net sales grew organically by 38.4% to EUR 47.3 (34.2) million mainly as a result of the strong growth in the Renewable Energy and Project Personnel businesses.
 - Project Personnel: net sales EUR 22.4 (18.6) million – increase of 20.2%.
 - Consulting: net sales EUR 4.6 (4.4) million – increase of 5.2%.
 - Renewable Energy: net sales EUR 20.3 million (11.2) – increase of 81.6%.
- EBITDA EUR 1.9 (1.0) million – increase of 85.1%.
- Operating profit EUR 1.7 (0.8) million – increase of 112.5%.
- Profit before tax EUR 1.7 (0.6) million – increase 173.4%.
- Earnings for the shareholders of the parent company EUR 1.1 (0.3) million – increase of 214.2%.
- Earnings per share EUR 0.010 (0.003).
- Net cash flow from operating activities EUR -2.6 (-2.7) million.

January–June 2022

- Net sales grew by 76.5% to EUR 95.1 (53.9) million. The growth was driven especially by the Renewable Energy business that is included in the Group figures from 1 April 2021 onward following the acquisition of a majority shareholding in the Finnish windmill park construction and construction design company Suvic Oy in March 2021.
 - Project Personnel: net sales EUR 45.1 (34.1) million – increase of 32.5%.
 - Consulting: net sales EUR 9.0 (8.6) million – increase of 3.8%.
 - Renewable Energy: net sales EUR 41.0 (11.2) million – increase of 266.8%. The 2021 comparison period figure is for the period 1 April – 30 June 2021).
- EBITDA increased to EUR 3.8 (2.1) million – increase of 85.0%.
- Operating profit EUR 3.4 (1.6) million – increase of 106.3%.
- Profit before tax EUR 3.1 (1.4) million including EUR -0.2 (-0.2) million of finance items – increase of 121.3%.
- Earnings for the shareholders of the parent company EUR 2.2 (0.9) million – increase of 129.8%.
- Earnings per share EUR 0.020 (0.009).
- Net cash flow from operating activities EUR -0.6 (-2.2) million.

Outlook for 2022 unchanged (issued on 2 August 2022):

Dovre Group's net sales in 2022 is expected to be more than EUR 185 million and the operating profit (EBIT) is expected to be between EUR 6.5 million and EUR 7.5 million.

CEO ARVE JENSEN:

Favorable market environment supported our growth in the first half of 2022. Our net sales increased by 76.5% to EUR 95.1 million and our operating profit more than doubled to EUR 3.4 (1.6) million. The second quarter was the first directly comparable quarter after the Suvic-acquisition, and during it comparable year-on-year organic net sales growth was 38.4% and operating profit growth was 112.5%. I am delighted to see all our three business segments growing and delivering profitable operating results in the first half of the year.

Approximately 75% of our H1 year-on year growth derives from our Renewable Energy segment, which consists of a majority of Suvic Oy's business that was acquired in March 2021. The segment has grown rapidly, and in H1 2022 Suvic has been involved in building eight different windmill parks in Finland, of which some of the largest projects will continue also in 2023.

Activity levels were high also in our Project Personnel and Consulting businesses. Increased demand for our services, in Norway, supported these segments' growth. In Project Personnel in Norway, we secured in May, together with our partners, a new frame agreement with Aibel AS, a leading service company within the oil, gas, and offshore wind industries. In addition, several existing clients in Project Personnel and Consulting used their options to extend agreements in 2022. In Consulting Finland, the Proha entity has had high activity and the strengthening of our operations with eSite develops according to plan.

The good development in our operations is an outcome of our consultants' ability to meet and exceed our clients' expectations. For this, I warmly thank all our employees.

At the same time as our operating environment supports our growth, it continues to possess several concerns, such as the current geopolitical situation, high inflation, and high oil prices. However, as stated in connection of our profit guidance update on August 2, we expect the demand for Dovre's services to be solid also in the second half of the year.

In mid to long-term, 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. We intend to further expand our services in the energy sector. The focus of all our operations is on profitable growth, ensuring the best professionals for our clients' projects and maintaining high customer satisfaction in order to stay ahead of our industry's tight competition.

GROUP'S KEY FIGURES

EUR million	4–6 2022	4–6 2021	Change %	1–6 2022	1–6 2021	Change %	1–12 2021
Net sales	47.3	34.2	38.4%	95.1	53.9	76.5%	142.7
EBITDA	1.9	1.0	85.1%	3.8	2.1	85.0%	6.9
% of net sales	4.0%	3.0%		4.0%	3.8%		4.8%
Operating result	1.7	0.8	112.5%	3.4	1.6	106.3%	6.1
% of net sales	3.5%	2.3%		3.5%	3.0%		4.3%
Profit before taxes	1.7	0.6	173.4%	3.1	1.4	121.3%	5.6
% of net sales	3.6%	1.8%		3.3%	2.6%		3.9%
Earnings for the shareholders of the parent company	1.1	0.3	214.2%	2.2	0.9	129.8%	3.7
% of the net sales	2.2%	1.0%		2.3%	1.8%		2.6%
Net cash flow from operating activities	-2.6	-2.7	3.2%	-0.6	-2.2	-72.6%	2.3
Net debt	-1.1	3.2	-135.7%	-1.1	3.2	-135.7%	-1.0
Debt-equity ratio (Gearing), %	-3.6%	12.4%	129.4%	-3.6%	12.4%	129.4%	-3.7%
Earnings per share, EUR							
Undiluted	0.010	0.003	211.2%	0.020	0.009	125.5%	0.035
Diluted	0.010	0.003	211.2%	0.020	0.009	125.5%	0.035

NET SALES

Net sales in Q2

In Q2, Dovre Group's net sales increased by 38.4% to EUR 47.3 (34.2) million. Most of the growth, approximately 75%, was due to the Renewable Energy business, but markets developed favorably in the two other business segments as well. Q2 is the first direct comparable quarter for net sales as Suvic was acquired 31 March 2021.

Project Personnel accounted for 47 (54) %, Consulting for 10 (13) % and Renewable Energy for 43 (33) % of the Group's net sales.

Project Personnel's net sales increased by 20.2% to EUR 22.4 (18.6) million. The demand remained at a high level particularly in Norway. Net sales in Consulting increased by 5.2%, totaling EUR 4.6 (4.4) million. Renewable Energy's net sales increased by 81.6% to EUR 20.3 (11.2) million. The growth was driven by the launch of several new windmill park projects after the comparison period.

Net sales in H1

In January–June, Dovre Group's net sales increased by 76.5% to EUR 95.1 (53.9) million with Renewable Energy representing approximately 75% of the growth. In H1 2021, Renewable Energy is included in-group figures from 1 April 2021 onwards.

Project Personnel accounted for 47 (63) %, Consulting for 9 (16) % and Renewable Energy for 43 (21) % of the Group's net sales.

Project Personnel's net sales increased by 32.5% to EUR 45.1 (34.1) million driven by favorable market development especially in Norway. Net sales for Consulting increased by 3.8%, totaling EUR 9.0 (8.6) million. Renewable Energy segment has grown rapidly with the launch of new windmill park projects after the 2021 comparison period, and the segment's net sales in January–June totaled 41.0 million euros (11.1 in April–June 2021).

By market area, EMEA's net sales totaled EUR 79.1 (42.0) million, accounting for 83 (78) % of the Group's net sales in January-June 2022. Net sales for AMERICAS were EUR 6.5 (3.8) million, accounting for 7 (10) % of the Group's net sales. Net sales for APAC were EUR 9.6 (8.1) million, accounting for 10 (12) % of the Group's net sales.

Year-on-year fluctuations in foreign currency exchange rates had minor impact on the Group's net sales in the first half of 2022. At constant currencies, net sales would have increased by 75.1% year-on-year in H1 2022 instead growing by 76.5%.

Net sales by reporting segment	4-6	4-6	Change	1-6	1-6	Change	1-12
EUR million	2022	2021	%	2022	2021	%	2021
Project Personnel	22.4	18.6	20.2	45.1	34.1	32.5	76.2
Consulting	4.6	4.4	5.2	9.0	8.6	3.8	16.1
Renewable Energy*	20.3	11,2	81.6	41.0	11.2	266.8	50.4
Group total	47.3	34.2	38.4	95.1	53.9	76.5	142.7

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

Net sales by market area	4-6	4-6	Change	1-6	1-6	Change	1-12
EUR million	2022	2021	%	2022	2021	%	2021
EMEA	39.2	27.3	43.5	79.1	42.0	88.3	113.1
AMERICAS	3.6	2.1	67.8	6.5	3.8	71.1	7.4
APAC	4.5	4.7	-4.2	9.6	8.1	18.3	22.2
Group total	47.3	34.2	38.4	95.1	53.9	76.5	142.7

Dovre Group's market areas are:

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

PROFITABILITY

Profitability in Q2

Dovre's other operating income totaled EUR 0.0 (0.0) million in April–June. Material and service expenses increased to EUR 19.3 (10.7) million and they consist of purchases for conducting the Renewable Energy operations. Employee benefit expenses increased, reflecting the business growth, by 11.1% to EUR 23.9 (21.5) million. Other operating expenses totaled to EUR -2.3 (-1.0) million.

The Group's EBITDA in Q2 improved by 85.1% to EUR 1.9 (1.0) million. The Group's operating profit improved by 112.5% to EUR 1.7 (0.6) million. Project Personnel's operating profit was EUR 0.9 (0.5) million, Consulting's operating result was EUR 0.6 (0.7) million and Renewable Energy's operating result was EUR 0.4 (-0.2) million. The operating result of the Group's Other functions was EUR -0.1 (-0.1) million.

Profitability in H1

Dovre's other operating income totaled EUR 0.0 (0.0) million euros in H1 2022. Material and service expenses increased to 37.9 (10.7) million euros. Employee benefit expenses increased by 25.8% to EUR 49.4 (39.3) million, reflecting the growth of the business. Other operating expenses increased to -4.1 (-1.8) million.

The Group's EBITDA in H1 improved by 85.0% to EUR 3.8 (2.1) million. In H1, the Group's operating profit improved to EUR 3.4 (1.6) million. Project Personnel's operating profit was EUR 2.1 (1.1) million, Consulting's operating profit was EUR 0.9 (1.3) million and Renewable Energy's operating result was 0.9 (-0.2) million euros. The operating result of the Group's Other functions was EUR -0.3 (-0.4) million.

EBITDA	4-6	4-6	Change	1-6	1-6	Change	1-12
EUR million	2022	2021	%	2022	2021	%	2021
Project Personnel	1.0	0.7	55.4	2.3	1.3	70.0	3.3
Consulting	0.6	0.7	-17.7	0.9	1.4	-30.3	2.3
Renewable Energy	0.5	-0.2	317.3	1.0	-0.2	546.3	2.0
Other functions	-0.1	-0.1	-27.3	-0.3	-0.4	26.0	-0.7
Unallocated *)	-0.1	0.0	-207.6	-0.1	0.0	-189.4	0.0
Group total	1.9	1.0	85.1	3.8	2.1	85.0	6.9

Operating result	4-6	4-6	Change	1-6	1-6	Change	1-12
EUR million	2022	2021	%	2022	2021	%	2021
Project Personnel	0.9	0.5	67.3	2.1	1.1	83.4	2.9
Consulting	0.6	0.7	-16.3	0.9	1.3	-30.0	2.3
Renewable Energy	0.4	-0.2	283.7	0.9	-0.2	478.2	1.9
Other functions	-0.1	-0.1	-20.9	-0.3	-0.4	26.2	-0.7
Unallocated *)	-0.1	-0.1	-53.7	-0.2	-0.1	-51.1	-0.3
Group total	1.7	0.8	112.5	3.4	1.6	106.3	6.1

* Unallocated expenses include amortization of customer agreements and relations.

The Group's result before taxes increased to EUR 3.1 (1.4) million. The result included EUR -0.2 (-0.2) million of finance items.

The earnings for the shareholders of the parent company were EUR 2.2 (0.9) million and the share of the non-controlling interest (holders of the 49% minority in Suvic) totaled EUR 0.2 (0.1) million.

The Group's earnings per share was EUR 0.020 (0.009). The Group's return on average capital employed before taxes (ROI) was 18.6 (10.0) %.

CASH FLOW, FINANCING AND INVESTMENTS

On June 30, the Group's balance sheet total was EUR 81.5 (61.2) million. The Group's cash and cash equivalents totaled EUR 9.0 (4.6) million. In addition, the Group has an unused credit limit of EUR 3.6 million.

At the end of June, the equity ratio was 42.3 (42.2) % and the debt-equity ratio (gearing) -3.6 (12.4) %. The interest-bearing liabilities amounted to EUR 7.8 (7.8) million, accounting for 9.6 (12.8) % of the Group's shareholders' equity and liabilities. A total of EUR 5.2 (4.4) million of the Group's interest-bearing liabilities were current and a total of EUR 2.6 (3.4) million non-current.

In H1 2022, net cash flow from operating activities was EUR -0.6 (-2.2) million, which includes EUR -3.2 (-3.5) million change in working capital. Both trade and other receivables and trade and other payables increased following the Suvic acquisition and the growth of the Renewable Energy business, which in particular influences the net cash flow from operating activities.

Net cash flow from investing activities was EUR -0.3 (-2.3) million. The comparison figure includes the payment of purchase price to the sellers of Suvic Oy in March 2021 as well as dividends paid for the year 2020. In 2022, no dividends were paid for the year 2021 to ensure the continued growth of the Renewable Energy business.

Net cash flow from financing activities was EUR 0.3 (0.2) million.

The balance sheet goodwill totaled EUR 21.2 (20.1) million on June 30. No indications of impairment exist.

PERSONNEL

During H1 2022, the average number of personnel employed by the Group was 801 (729). The increase in the average number of employees was driven by organic growth in all business segments.

Project Personnel employed on average 670 (610), Consulting 96 (87) and Renewable Energy 34 (29) people in H1 2022. In the Project Personnel business area 28 (29) % of employees were independent contractors.

Personnel	4-6	4-6	Change	1-6	1-6	Change	1-12
Average	2022	2021	%	2022	2021	%	2021
Project Personnel	677	649	4.3	670	610	9.9	685
Consulting	99	87	14.6	96	87	10.7	88
Renewable Energy	34	29	17.2	34	29	16.1	22
Other functions	1	2	-57.1	1	3	-62.5	2
Group total	811	767	5.8	801	729	9.9	796

The number of people employed at the end of June increased. On June 30, 2022, Dovre Group employed 822 (801) people, 679 (682) of whom were employed by Project Personnel, 101 (88) by Consulting, 41 (29) by Renewable Energy and 1 (2) by other functions.

GROUP MANAGEMENT

There were no other changes in the Group Executive Team in H1 2022. At the end of June, 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 30 March 2022 re-elected Ilari Koskelo, Antti Manninen and Svein Stavelin as members of the Board of Directors. Sanna Outa-Ollila was elected as a new member of the Board. 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

Share 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.

There were no changes in the share capital or in the number of shares during the review period. On June 30, 2022, Dovre Group's share capital was EUR 9,603,084.48 and the total number of shares 105,956,494. The average number of shares during the period was 105,956,494 shares.

In H1 2022, altogether 19.1 (35.7) million Dovre Group shares were exchanged on the Nasdaq Helsinki Ltd., corresponding to a trade of approximately EUR 12.4 (15.5) million. The volume weighted average price of Dovre share was 0.65 (0.44), the lowest quotation was EUR 0.55 (0.28) and the highest EUR 0.80 (0.78). On June 30, 2022, the closing quotation was EUR 0.57 (0.71). The period-end market capitalization was approximately EUR 60.7 (75.0) million.

Own shares

There were no changes in the number of Dovre Group's treasury shares during the review period. At the end of June 2022, 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 June 30, the number of registered shareholders of Dovre Group Plc totaled 6,183 (5,138), including 10 (10) nominee-registered holders. The share of foreign and nominee-registered shares was 5.3 (5.3) % of the Group's shares.

On June 30, 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 8,742,218 (8,721,871) shares in the company, representing 8.2 (8.2) % of all shares.

Holdings of Board of Directors and CEO 30.6.2022

Name	Shares, pcs	Percentage of shares
Svein Stavelin	334,613	0.3
Ilari Koskelo	7,300,000	6.9
Antti Manninen	533,485	0.5
Sanna Outa-Ollila	0	0.0
Board members, total	8,168,098	7.7
CEO Arve Jensen	574,120	0.5
Total	8,742,218	8.2

Shareholder agreements

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

Long-term incentive plans

The long-term incentive program has been extended to 2022-2025. The remuneration is based on annually set performance conditions and the key metric is operating profit. The remuneration can be paid in shares or cash subject to Board decision. Executive is responsible for personnel income tax on award. The shares or cash will be awarded when the vesting period ends at the beginning of 2025.

ANNUAL GENERAL MEETING AND THE AUTHORIZATIONS OF THE BOARD OF DIRECTORS

Dovre Group Plc's Annual General Meeting (AGM) was held on March 30, 2022. The AGM adopted the financial statements and consolidated financial statements for 2021 and discharged the members of the Board of Directors and the CEO from liability for the financial year ending on December 31, 2021.

In accordance with the Board's proposal, the Annual General Meeting decided that no dividend is paid for the 2021 in order to ensure the continued growth of the Renewable Energy sector.

In accordance with the Board's proposal, the Annual General Meeting resolved to approve the remuneration report for the financial year of 2021.

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. Sanna Outa-Ollila was elected as a new member of the Board.

The Annual General Meeting resolved that the chairman of the Board is paid EUR 40,000, the vice chairman of the Board EUR 33,000, and each other member of the Board EUR 25,000 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 has informed that Authorized Public Accountant Henrik Juth will be the principal auditor. The auditor's fee shall be paid according to the approved invoice of 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 approximately maximum of 9.5% of the total number of shares in the company. The authorizations are valid until June 30, 2023 and revoke the previously granted, corresponding authorizations.

During the review period, Dovre Group Plc's Board of Directors did not use the aforementioned authorizations granted in 2021 or 2022.

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 because 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 cyclicity 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 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.

In addition to the above, the current geopolitical situation, high inflation, and high energy prices is also adding risk to our business.

OTHER EVENTS DURING THE REVIEW 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 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 commenced 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. Together with the previously announced Kalistanneva wind farm, the two projects are called Viiatti, with a combined capacity of 313.5 MW. The Matkussaari 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 commenced 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.

New frame agreement in Norway

On May 2, 2022, Dovre Group announced that it has secured, together with its partners Engineering Consultants Norway and Future Technology, a frame agreement with Aibel AS in Norway. The scope of work is Consultancy Services and includes hire of temporary personnel

within project/multidiscipline, construction, commissioning, supply chain, economy, ICT and administrative disciplines. The frame agreement is valid for 2 years with option to extend the agreement 3 times by 2 years, i.e. maximum 8 years.

EVENTS AFTER THE REVIEW PERIOD

Dovre Group gave a positive profit warning on August 2, 2022, and raised its net sales and EBIT guidance for the year 2022. The reason for raising the guidance is that the demand for Dovre's services is expected to continue solid in the second half of the year. The guidance issued on August 2, 2022, is repeated at the beginning of this Half-year financial statement release.

Espoo, August 18, 2022

DOVRE GROUP PLC
BOARD OF DIRECTORS

For additional information, please contact:

Dovre Group PLC
Arve Jensen, CEO
arve.jensen@dovregroup.com
tel. +47 90 60 78 11

Sirpa Haavisto, CFO
sirpa.haavisto@dovregroup.com
tel. +358 20 436 2000

Financial reporting in 2022

Dovre Group releases its Q3 trading statement for January 1 – September 30, 2022, on Wednesday, October 26, 2022.

Distribution
Nasdaq Helsinki Ltd
Major media
www.dovregroup.com

The figures presented in this half-year financial report are not audited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-6	1-6	Change	1-12
EUR thousand	2022	2021	%	2021
NET SALES	95,139	53,899	76.5	142,744
Other operating income	0	0	-100.0	265
Material and services	-37,871	-10,747	-252.4	-45,965
Employee benefit expenses	-49,422	-39,298	-25.8	-85,374
Depreciation and amortization	-424	-417	-1.5	-854
Other operating expenses	-4,052	-1,803	-124.7	-4,747
OPERATING RESULT	3,371	1,634	106.3	6,069
Financing income	77	29	163.1	142
Financing expenses	-300	-241	-24.8	-600
RESULT BEFORE TAX	3,148	1,423	121.3	5,610
Tax on income from operations	-744	-346	-114.9	-1,299
RESULT FOR THE PERIOD	2,404	1,076	123.3	4,311
RESULT FOR THE PERIOD ATTRIBUTABLE TO:				
Equity holders of the parent	2,171	944		3,667
Non-controlling interest	233	132		644
Total	2,404	1,076		4,311
EARNINGS PER SHARE FOR RESULT ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT				
Basic, result for the period	0.020	0.009	125.5	0.035
Diluted, result for the period	0.020	0.009	125.5	0.035
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS				
RESULT FOR THE PERIOD	2,404	1,076		4,311
OTHER COMPREHENSIVE INCOME				
Other comprehensive income to be classified to profit or loss in subsequent periods:				
Translation differences	726	891		1,383
Other comprehensive income for the period, net of tax	726	891		1,383
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,129	1,967		5,695
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
Equity holders of the parent	2,896	1,967		5,050
Non-controlling interest	233	132		644
Total	3,129	2,099		5,695
	1-6	1-6		1-12
Average number of shares	2022	2021		2021
Basic	105,956,494	103,956,494		104,956,494
Diluted	105,956,494	103,956,494		104,956,494

Number of shares, period end	30 Jun 2022	30 Jun 2021		31 Dec 2021
Basic	105,956,494	105,956,494		105,956,494
Diluted	105,956,494	105,956,494		105,956,494

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR thousand	30 Jun 2022	30 Jun 2021	Change %	31 Dec 2021
ASSETS				
Non-Current assets				
Intangible assets	2,641	3,035	-13.0	2,862
Goodwill	21,200	20,119	5.4	20,898
Tangible assets	1,244	1,628	-23.5	1,471
Financial assets	1,906	1,862	2.3	1,856
Deferred tax assets	190	220	-13.7	197
Non-Current assets	27,180	26,863	1.2	27,284
Current assets				
Inventories	1,983	0	-	669
Trade receivables and other receivables	43,315	29,543	46.6	32,165
Tax receivable, income tax	4	152	-97.4	29
Cash and cash equivalents	9,006	4,627	94.7	9,500
Current assets	54,308	34,322	58.2	42,364
TOTAL ASSETS	81,489	61,185	33.2	69,647
EQUITY AND LIABILITIES				
Equity attributable to the equity holders of the parent				
Share capital	9,603	9,603	0.0	9,603
Reserve for invested non-restricted equity	14,066	14,050	0.0	14,066
Fair value reserve	2,869	2,869	0.0	2,869
Treasury shares	-237	-237	0.0	-237
Translation differences	-2,180	-3,398	35.9	-2,906
Retained earnings	7,715	2,961	42.7	5,544
Total equity attributable to the equity holders of the parent	31,834	25,847	23.2	28,938
Non-controlling interest	-508	-8	-6250.6	-496
Equity	31,326	25,839	21.2	28,442
Non-current liabilities				
Deferred tax liability	978	933	4.8	961
Non-current liabilities, interest-bearing	2,621	3,409	-23.1	2,280
Non-current provisions	757	388	95.0	641
Other non-current liabilities	0	13	-100.0	3
	4,356	4,743	-8.2	3,884
Other non-current liabilities				
Current liabilities				
Short-term liabilities, interest-bearing	5,242	4,422	18.6	6,171
Trade payables and other liabilities	39,634	25,840	53.4	30,040
Tax liability, income tax	930	341	172.3	1,110
Current liabilities	45,806	30,604	49.7	37,322
TOTAL EQUITY AND LIABILITIES	81,489	61,185	33.2	69,647

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)	b	c)	d)	e)	f)	g)	h)	i)
SHAREHOLDERS' EQUITY Jan. 1, 2021	9,603	12,991	2,869	-237	-4,289	2,932	23,869	0	23,869
Comprehensive income									
Result for the period						1,076	1,076	132	1,208
Other comprehensive income Items that may be reclassified to profit and loss in subsequent periods:									
Translation differences					891		891		891
Total comprehensive income	0	0	0	0	891	1,076	1,967	132	2,099
Transactions with shareholders									
Directed share issue	0	1,058	0				1,058	0	1058
Non-controlling interest on acquisition of subsidiary								-140	-140
Dividend distribution						-1,047	-1,047	0	-1047
Total transactions with shareholders	0	1,058	0	0	0	-1,047	11	-140	-129
SHAREHOLDERS' EQUITY Jun 30, 2021	9,603	14,050	2,869	-237	-3,398	2,961	25,847	-8	25,839

EUR thousand	a)	b)	c)	d)	e)	f)	g)	h)	i)
SHAREHOLDERS' EQUITY Jan. 1, 2022	9,603	14,066	2,869	-237	-2,906	5,544	28,938	-496	28,442
Comprehensive income									
Result for the period						2,171	2,171	233	2,404
Other comprehensive income Items that may be reclassified to profit and loss in subsequent periods:									
Translation differences					726	0	726	0	726
Total comprehensive income	0	0	0	0	726	2,171	2,896	233	3,129
Transactions with shareholders									
Capital loan							0	-245	-245
Total transactions with shareholders	0	0	0	0	0	0	0	-245	-245
SHAREHOLDERS' EQUITY Jun 30, 2022	9,603	14,066	2,869	-237	-2,180	7,715	31,834	-508	31,326

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1-6 2022	1-6 2021	Change, %	1-12 2021
Cash flow from operating activities				
Operating result	3,371	1,634	106.3	6,069
Adjustments:				
Depreciation / Amortization	424	417	1.5	854
Adjustments, total	424	417	1.5	854
Changes in working capital				
Trade and other receivables, increase (-) / decrease (+)	-12,591	-12,419	-1.4	-18,427
Inventories, increase (-) / decrease (+)	-1,314	0		-669
Trade and other payables, increase (+) / decrease (-)	10,736	8,928	20.3	15,557
Changes in working capital, total	-3,169	-3,492	9.3	-3,539
Interest paid	-93	-171	45.9	-205
Interest received	13	13	-4.5	16
Other financial expenses paid and received	-277	-52	-431.9	-294
Income taxes paid	-866	-533	-62.7	-567
Net cash generated by operating activities	-597	-2,183	72.6	2,333
Cash flow from investing activities				
Investments in tangible and intangible assets	-96	-124	22.5	-131
Acquisitions of subsidiaries, less cash and cash equivalents	0	-2,200	-100.0	-2,476
Loan receivables, increase (-) / decrease (+)	-245	0		0
Net cash generated by financing activities	-341	-2,324	-85.3	-2,607
Cash flow from financing activities				
Proceeds from non-current loans	0	2,000	100.0	2,000
Repayments of non-current loans	-200	-100	-100.0	-764
Proceeds (+) / repayments (-) from current credit limits	760	-459	265.4	1,677
Repayments of leasing liabilities	-223	-212	-5.4	-606
Dividends paid	0	-1,052		-381
Net cash generated by financing activities	337	177	90.2	-1,057
Translation differences	108	415	-74.1	363
Change in cash and cash equivalents	-494	-3,914	87.4	959
Cash and cash equivalents at beginning of the period	9,500	8,541	11.2	8,541
Cash and cash equivalents at end of the period	9,006	4,627	94.7	9,500

NOTES TO THE HALF-YEAR FINANCIAL REPORT

The half-year financial report has been prepared in line with IAS 34 and, apart from the additions below, the same accounting principles have been applied as in the 2021 financial statements. Key indicator calculations remain unchanged and have been presented in the 2021 financial statements.

The amendments and additions to the IFRS standards that came into force at the beginning of 2022 did not have a material effect on the consolidated financial statements.

1. OPERATING SEGMENTS

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

- Project Personnel business area provides project personnel for engineering, construction, and commissioning for large investments projects in Oil & Gas and other energy related industries worldwide.
- Consulting business area provides project management consulting, project personnel and project management systems in non-energy related investment projects mainly in Nordic countries.
- Renewable Energy provides engineering, construction design and construction services for wind farm projects and other zero carbon projects 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.⁷

NET SALES

EUR thousand	1-6/2022	1-6/2021	Change	1-12/2021
Project Personnel	45,123	34,064	32.5%	76,205
Consulting	8,975	8,647	3.8%	16,138
Renewable Energy	41,041	11,187	266.8%	50,401
Total	95,139	53,898	76.5%	142,744

EBITDA

EUR thousand	1-6/2022	1-6/2021	Change	1-12/2021
Project Personnel	2,290	1,347	70.0%	3,267
Consulting	944	1,354	-30.3%	2,349
Renewable Energy	963	-216	546.3%	1,964
Other functions	-294	-397	26.0%	-704
Unallocated	-108	-37	-189.4%	46
Total	3,794	2,051	85.0%	6,922

OPERATING RESULT

EUR thousand	1-6/2022	1-6/2021	Change	1-12/2021
Project Personnel	2,050	1,118	83.4 %	2,911
Consulting	931	1,329	-30.0 %	2,299
Renewable Energy	922	-244	478.2 %	1,881
Other functions	-313	-424	26.2 %	-742
Unallocated	-220	-147	-51.1 %	-281
Total	3,371	1,634	106.3 %	6,069

Unallocated expenses include amortization of customer agreements and relations and expenses recorded because of adaptation of IFRS 16.

PERSONNEL

Average number of personnel	1-6/2022	1-6/2021	Change	1-12/2021
Project Personnel	670	610	9.9%	685
Consulting	96	87	10.7%	88
Renewable Energy	34	29	16.1%	22
Other functions	1	3	-62.5%	2
Total	801	729	9.9%	796

In the Project Personnel business area, 28 (29) % of personnel were independent contractors.

2. NET SALES

NET SALES BY REVENUE TYPE

EUR thousand	1-6/2022	1-6/2021	Change	1-12/2021
Services	53,785	42,470	26,6%	91,855
License revenue	213	140	52,0%	285
Maintenance	100	101	-0,9%	202
Projects	41,041	11,187	266,8%	50,401
Total	95,139	53,899	76,5%	142,742

NET SALES BY DOMICILE OF THE COMPANY

EUR thousand	1-6/2022	1-6/2021	Change	1-12/2021
Finland	44,753	14,001	219.6%	56,112
Norway	34,313	27,997	22.6%	57,013
Canada and US	6,482	3,789	71.1%	7,382
Singapore	9,592	8,111	18.2%	22,236
Total	95,139	53,899	76.5%	142,742

3. BUSINESS COMBINATIONS

There have been no acquisitions during the period under review.

On March 31, Dovre Group completed the acquisition of a majority stake (51%) in the Finnish windmill park construction and construction design company Suvic Oy, which specializes in building windmill park infrastructure as a turn-key solution as a single contractor.

The debt-free and net cash purchase price of the transaction was about 3.1 million euros, of which 2 million euros was paid in cash. In addition, Dovre Group issued 3 million shares to the sellers of Suvic in a directed new share issue. The subscription price, about 1.1 million euros was recorded in full in Dovre Group's invested unrestricted equity fund.

Advisory and expert service costs of about 51 thousand euros related to the transaction have been

included in other operating expenses in the income statement. The expenses related to the directed share issue, about 61 thousand euros, are recognized in the reserve for non-restricted equity.

As of the acquisition date, the consolidated statement of income includes net sales of 11.2 million euros and result for the period of -0.1 million euros million contributed by the acquired business.

Had the acquisition taken place on January 1, 2021, the consolidated statement of income would have included net sales of 13.9 million euros and result for the period of -0.5 thousand euros.

4. GOODWILL

EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Acquisition cost, Jan.1	20,898	16,390	16,390
Additions	0	3,265	3,565
Translation differences (+/-)	302	463	942
Book value	21,200	20,119	20,898

The increase of goodwill in 2021 is related to the acquisition of Suvic Oy by Dovre Group Plc. There have been no acquisitions in 2022.

Dovre Group's goodwill is divided into cash-generating units as follows:

EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Project Personnel	16,912	16,131	16,610
Consulting	1,023	723	1,023
Renewable Energy	3,265	3,265	3,265
Total	21,200	20,119	20,898

5. LEASES

Dovre Group's right-to-use assets are office and vehicle leases.

Right-to-use assets			
EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Acquisition cost, Jan.1	3,470	2,186	3,016
Translation differences (+/-)	-120	145	0
Additions	0	111	455
Acquisition cost	3,350	2,442	3,470
Accumulated depreciation, Jan. 1	-1,999	-721	-1,527
Depreciation charges for the period	-222	-213	-472
Accumulated depreciation	-2,221	-935	-1 999
Book value	1,129	1,507	1,471

Leasing liabilities	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Long-term leasing liabilities	828	1,110	980
Short-term leasing liabilities	371	607	460
Total	1,200	1,717	1,440

6. TRADE AND OTHER RECEIVABLES

EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Trade receivables	35,128	25,823	26,997
Valuation allowance for trade receivables	-24	-25	-25
Other receivables	473	931	139
Percentage of completion revenue recognition	5,801	1,553	3,822
Accrued income on sales	1,025	850	661
Other prepayments	912	411	571
Total	43,315	29,543	32,165

Aging analysis of trade receivables			
EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
No due	32,113	18,997	18,748
Overdue			
1-30 days	505	4,401	5,287
31-60 days	1,293	1,958	2,152
61-90 days	738	213	314
Over 90 days	479	254	496
Total	35,128	25,823	26,997

7. NON-CURRENT LIABILITIES

Non-current financial liabilities			
EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Non-current loans from financial institutions	1,300	2,649	1,300
Capital loans, Suvic Oy	490	0	0
Non-current lease liabilities	828	760	980
Other non-current liabilities	2	0	0
Total	2,621	3,409	2,280

Provisions			
EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Warranty provision, Suvic Oy	757	388	441
JSS/Covid 19 accrual Singapore	0	0	200
Total	757	388	641

8. CURRENT FINANCIAL LIABILITIES

EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Current loans from financial institutions	200	205	405
Lines of credit in use	4,671	3,260	5,306
Current lease liabilities	371	957	460
Total	5,242	4,422	6,171

9. TRADE PAYABLES AND OTHER LIABILITIES

EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Trade payables	11,176	7,885	8,828
Advances received	7,438	3,854	3,071
Other current liabilities	4,864	4,444	6,043
Accrued liabilities on income and expenses	16,156	9,657	12,099
Total	39,634	25,840	30,040

Accrued liabilities on income and expenses			
EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Current deferred income	98	167	87
Percentage of completion method	3,437	1,732	2,578
Accrued employee expenses	7,535	6,663	8,163
Other current accrued liabilities on income and expenses	5,087	1,096	1,270
Total	16,156	9,657	12 099

10. GROUP COMMITMENTS AND CONTINGENT LIABILITIES

<u>Collateral for commitments</u>			
EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Trade receivables pledged as collateral	5,411	5,505	5,606
Floating charges	11,000	5,000	5,000
Debt guarantee, overdraft facility	1,398	1,244	1,325
Other guarantees	2,899	3,048	3,107
	20,709	14,797	15,038

<u>Collateral for commitments</u>			
EUR thousand	Jun. 30, 2022	Jun. 30, 2021	Dec. 31, 2021
Trade receivables pledged as collateral	850	300	300
Company mortgages	8,000	6,000	6,000
	8,850	6,300	6,300

During the period under review, the increase in company mortgages is due to counter-guarantees given to credit institutions. Counter-guarantees have been issued to increase Suvic Oy's bank and delivery guarantee limit.

11. GROUP QUARTERLY INFORMATION

	2022	2021	2022	2021	2021	2021
EUR thousand	1-3	1-3	4-6	4-6	7-9	10-12
NET SALES	47,824	19,704	47,315	34,195	46,497	42,347
Other operating income	2	-15	-2	15	258	6
Material and services	-18,612	-43	-19,259	-10,704	-21,269	-13,950
Employee benefit expense	-25,555	-17,817	-23,867	-21,481	-21,372	-24,704
Other operating expense	-1,740	-790	-2,312	-1,013	-1,241	-1,702
EBITDA	1,919	1,038	1,875	1,013	2,874	1,998
Depreciation and amortization	-222	-193	-201	-224	-222	-214
OPERATING RESULT	1,697	845	1,674	789	2,651	1,783

12. GROUP KEY FINANCIAL PERFORMANCE INDICATORS

EUR million	1-6 2022	1-6 2021	1-12 2021
Cash and cash equivalents	9.0	4.6	9.5
Interest-bearing liabilities	7.9	7.8	8.5
Net debt	-1.1	3.2	-1.0
Equity attributable to equity holders of the parent	31.8	25.8	28.9

Shareholders' equity	31.3	25.8	28.4
Balance sheet total	81.5	61.2	69.6
Return on equity, %	8.4%	4.3%	14.0%
Return on investment, %	18.6%	10.0%	17.6%
Debt-equity ratio (Gearing), %	-3.6%	12.4%	-3.7%
Equity-ratio, %	42.3%	42.2%	40.8 %
Personnel (average for period)	801	729	796
Personnel (at end of period)	822	801	865
Earnings per share, EUR (basic, average for period)	0.020	0.009	0.035
Equity per share, EUR (basic, end of period)	0.30	0.24	0.27