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# DOVRE GROUP IN BRIEF

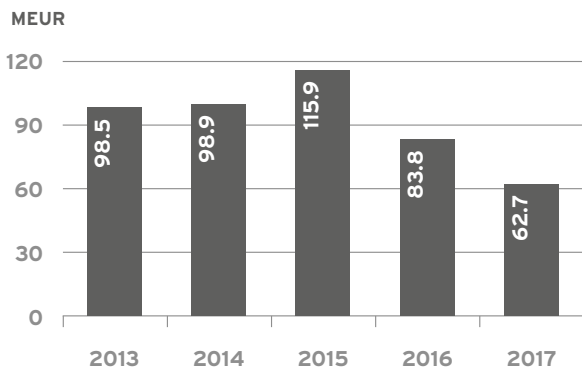
Dovre Group is a global provider of project management services. The Group's parent Dovre Group PLC is domiciled in Finland and is listed on Nasdaq Helsinki (symbol DOV1V).

Dovre Group has two business areas: Project Personnel and Consulting. Dovre Group's Project Personnel business area has over 30 years of experience as a global provider of project professionals for large investment projects. The Group's

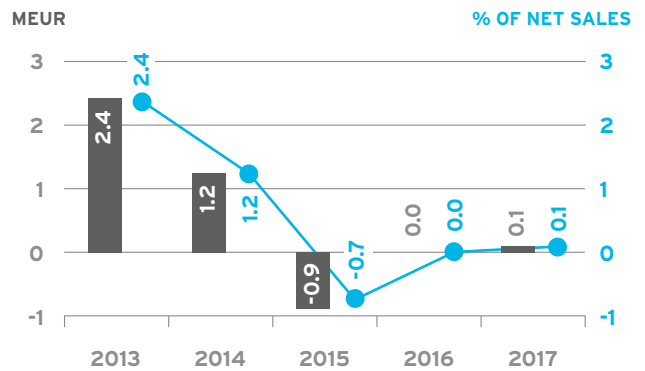
Consulting business area operates in the Nordic countries and provides management and project management expertise for the development and execution of large investment projects.

In 2017, Dovre Group's net sales were EUR 62.7 million and the Group's operating result was EUR 0.1 million. Project Personnel accounted for 91% and Consulting for 9% of the net sales. Dovre Group employs around 500 people worldwide.

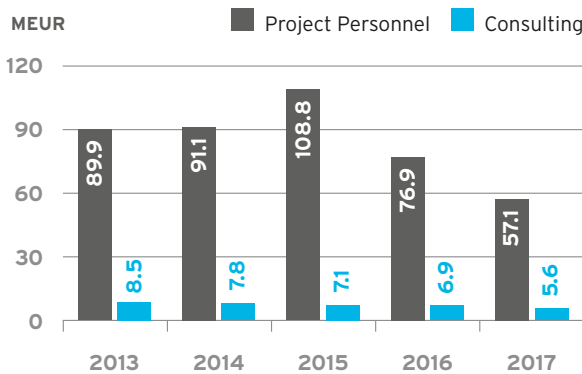
## NET SALES



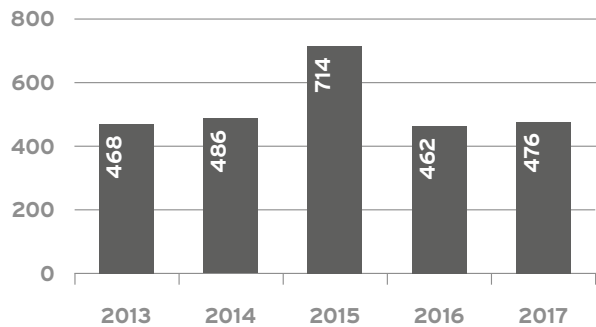
## OPERATING RESULT



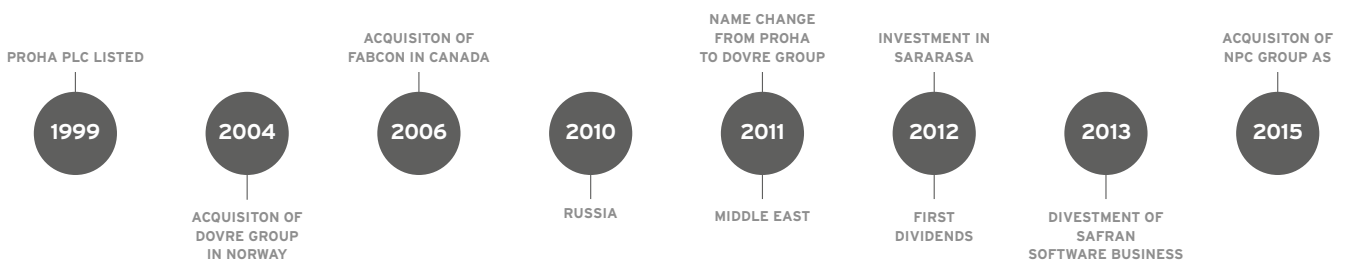
## NET SALES BY BUSINESS AREA



## PERSONNEL AT THE END OF THE YEAR



## DOVRE GROUP'S DEVELOPMENT



## CEO'S REVIEW

# STRONG FINISH TO THE YEAR

"We are not satisfied with the 2017 full year sales and operating profit. However, the last quarter of 2017 shows that we are moving in the right direction. Despite low sales, in Q4 2017 we recorded the best quarterly operating profit in three years. We have a strong and balanced portfolio of frame agreements. Our order stock is stronger than a year ago. Our operations are lean and efficient. If, as we anticipate, volumes continue to increase, we are well placed to increase sales and improve our operating profit.

In Project Personnel, sales fell by over 25% in 2017, and yet the operating profit increased by almost 40%. The improvement is partly thanks to slightly better gross margin, but mainly thanks to significant reductions in fixed costs. Overall, our Project Personnel performed very well under difficult circumstances. In particular, I am happy with the performance of our largest operation Norway. Singapore had a great finish to the year.

After several years of stellar performance, our Consulting business had a slightly softer year. Even so, Consulting delivered a respectable operating profit. At times, the order stock was low, and required significantly increased focus on sales. As a result, the order stock started to improve - both in Norway and Finland - towards the end of the year.

The target of Dovre Group is to be our clients' preferred partner in projects. We deliver advisory services, project personnel and IT tools for project success. Our focus is large projects in oil & gas, energy, infrastructure and industry. Our clients are leading private and public organizations around the world.

To all our Clients - old, new and future: Thank you for your positive feedback. We appreciate your trust in us, and we are well set up to support you, wherever your projects may be.

To my Dovre Colleagues around the world: You have done a great job, and for that I thank you from my heart. I am proud and privileged to work with you.

To our hundreds of Consultants out there in the frontline: Thank you for making our Clients' projects a success."

**Patrick von Essen**  
CEO



**"OUR ORDER STOCK  
IS STRONGER THAN  
A YEAR AGO."**

# PROJECT PERSONNEL

**Dovre Group's Project Personnel business area provides experienced project professionals to large investment projects. The Group has over 30 years of experience in the project personnel business. Our main markets are the Nordic countries, Asia Pacific, North America, and the Middle East.**

Dovre Group has offices in Canada, Finland, Norway, Russia, Singapore, the United Arab Emirates, and the United States. At the end of 2017, the Group employed about 500 project professionals and executed assignments in more than 20 countries.

## PROJECT PERSONNEL BUSINESS IS ABOUT TRUST AND LOYALTY

Dovre Group supports world leading organizations to project success. We ensure access to the best project professionals - whenever or wherever our Clients need them. As a publicly listed company, we are a compliant, transparent and trustworthy partner for our clients, and consistently get top scores for quality and service.

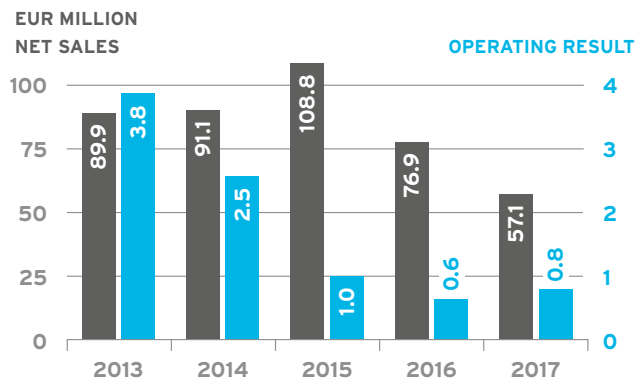
The key to success in the project personnel business is access to the best project people. Many of our consultants have been with us for decades, on numerous different assignments around the world. We take good care of our consultants, and together we take good care of our clients.

## 2017 - A YEAR OF MIXED FEELINGS

In 2017, the price of crude oil trended down in the first six months. The volumes, rates and margins continued sliding. In the second half of the year, the crude oil trended up from below USD 50 per barrel to above USD 65 per barrel. The demand for project personnel services in upstream oil & gas started picking up. During the last quarter of 2017, we saw the first rate increases in three years - a sign of better times. We finished the year with a strong portfolio of frame agreements and an even leaner cost structure. Our fourth quarter operating result was the best we have reported in three years.

Project Personnel's net sales decreased from the previous year, reaching EUR 57.1 (76.9) million in 2017. Project Personnel's operating result was EUR 0.8 (0.6) million.

In 2017, the average number of personnel employed by Project Personnel was 427 (498). 23 (27) % of the personnel were independent contractors. Dovre Group conducts a monthly review of project personnel's safety at work. No incidents were reported to the company in 2017.



## CONSOLIDATION, DIVERSIFICATION AND COST PRUDENCE

There is a clear consolidation trend in the market. Many clients wish to work with a fewer number of service providers, who can provide a wider range of services and in multiple locations around the world. Compliance is increasingly important for our Clients. Dovre Group is well positioned to benefit from these trends.

In line with our strategy, we are seeking growth in oil & gas, energy, infrastructure and industry projects. Our growth opportunities include organic growth, alliances as well as mergers and acquisitions.

In 2017 we implemented further Group-wide annual cost savings of more than EUR 1.5 million.

## STRATEGIC TARGETS

Dovre Group's strategic vision is long-term client relationships, top-motivated employees, and faster than market growth. In Project Personnel, we will continue to expand our client base beyond oil & gas and to improve our work processes and systems to better leverage economies of scale. We are building a solid portfolio of long-term framework agreements with existing and new clients. We aim to become the most attractive employer in the industry, with exciting projects and career opportunities.

**"THE KEY TO SUCCESS IN PROJECT PERSONNEL BUSINESS IS ACCESS TO THE BEST PROJECT PEOPLE."**

# CONSULTING

**Dovre Group's Consulting business area provides advisory services for the effective development and execution of large projects. We operate in the Nordic countries, with offices in Finland and Norway.**

Our clients include major project owners in both the private and the public sector, operating in the following main industries:

- Transportation
- Building and construction
- IT and communication
- Oil and gas
- Energy
- Justice
- Defense
- Education
- Manufacturing
- Health
- Finance

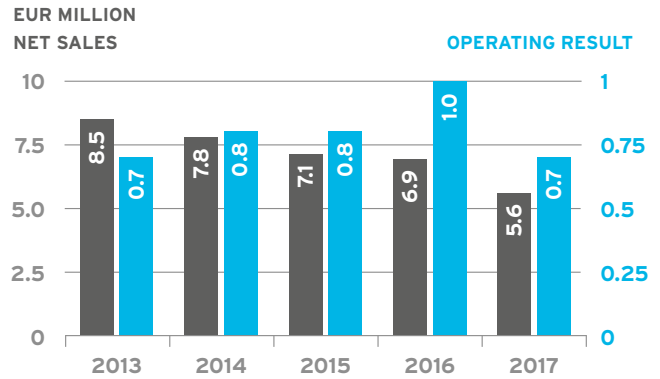
With long-standing experience in the industry, we focus on the main areas of project management and procurement consulting, where we supply our clients in different industries with:

- Strategic consulting
- Independent analyses
- Organizational improvement
- Operational management

Large projects typically entail several years of concept development and planning before execution, and involve large scale investments. Many of our clients have project portfolios covering several projects of different sizes, with each project in a different phase, or portfolios of large procurement projects. Others have only one major project, often very large compared to their other investments or operational costs. Our range of services may be grouped into the following main categories:

- Governance and portfolio management
- Risk and uncertainty management
- Concept and project evaluation
- Program and project management
- Contract and procurement management
- Project management methodology and IT-solutions

Key to successful consulting is the ability to provide our clients with valuable advice over time. We focus on building long-term relationships with our clients through frame agreements and practical recommendations. Our clients recognize our expertise and have so far renewed existing frame agreements for



further contract periods. As an example, Dovre Group is one of only four companies that have carried out external independent reviews of major public investment projects for the Norwegian public sector since the practice of external review started more than 15 years ago.

## STEADY BUSINESS FOR CONSULTING IN 2017

In 2017, net sales decreased slightly compared to the previous year, reaching EUR 5.6 (6.9) million. The full year operating result reached EUR 0.7 (1.0) million in 2017.

In 2017, the average number of personnel employed by Consulting was 36 (40).

## CONSOLIDATION IN THE CONSULTING MARKET

Dovre Group expects the demand for consulting services to remain reasonably steady in 2018. We have seen consolidation in the consulting market, and expect this trend to continue. There is also a risk that the uncertainty in the oil & gas market influences the market in other sectors more than expected. At the same time, we have a strong order stock in Norway and, as the Norwegian public sector aims to invest counter-cyclically, investments in infrastructure projects are expected to increase. Demand in Finland is expected to remain on the same level as in 2017.

Dovre Group aims to expand its consulting business through a continued structured market approach - by focusing on a number of key clients, expanding our work with them, and gaining new key clients. We also pursue strategic recruiting, strategic partnering, and selective acquisitions.

**"OUR CLIENTS  
TRUST OUR PROJECT  
EXPERTISE."**

# INVESTOR RELATIONS

The primary objective of Dovre Group's investor relations is to ensure that the market has at all times access to accurate and sufficient information to support the correct valuation of the company's share.

Up-to-date information about Dovre Group as an investment is available on the company's website [www.dovregroup.com](http://www.dovregroup.com) -> **Investors**. All financial releases can also be obtained by emailing to [info@dovregroup.com](mailto:info@dovregroup.com).

Dovre Group reports half-yearly on its financial performance in accordance with the International Financial Reporting Standards (IFRS).

## FINANCIAL REPORTING IN 2018

- Q1 trading statement for January 1-March 31, 2018 on Thursday, April 26, 2018
- Half-year report for January 1-June 30, 2018 on Thursday, July 26, 2018
- Q3 trading statement for January 1-September 30, 2018 on Thursday, October 25, 2018.

Dovre Group's Annual General Meeting will be held at Helsingin Pörssiklubi in Helsinki (address: Fabianinkatu 14) on Wednesday, March 28, 2018, at 3.00 pm.

## CONTACT INFORMATION

Mari Paski, CFO, tel. +358 20 436 2000

[info@dovregroup.com](mailto:info@dovregroup.com)

## SHARE INFORMATION

Dovre Group Plc's shares are listed on the Nasdaq Helsinki Ltd. Dovre Group has one class of shares (trading symbol: DOV1V).

Market: Nasdaq Helsinki

ISIN: FI0009008098

Symbol: DOV1V

Segment: OMX Helsinki Small Cap

Sector: Industrial goods and services

Number of shares on December 31, 2017: 100,168,769

For more information: [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com)

# STOCK EXCHANGE RELEASES IN 2017

Dec 5-Dec 29, 2017	Dovre Group Plc: Share repurchase (16 bulletins)	Apr 27, 2017	Dovre Group trading statement January 1-March 31, 2017
Dec 19, 2017	Restructuring of Commuter AS, Dovre Group's biggest shareholder completed	Apr 11, 2017	Dovre Group Plc - managers' transactions (4 bulletins)
Dec 8, 2017	Change in Dovre Group's executive team	Mar 31, 2017	Change in Dovre Group's executive team
Dec 5, 2017	Dovre Group to start repurchases of own shares	Mar 30, 2017	Decisions of the annual general meeting of Dovre Group Plc
Nov 16, 2017	Dovre Group Plc - managers' transactions	Mar 9, 2017	Dovre Group's annual report 2016 published
Oct 26, 2017	Dovre Group trading statement January 1-September 30, 2017	Mar 7, 2017	Dovre Group: notification pursuant to chapter 9, section 5 of the Finnish Securities Markets Act
Oct 25, 2017	Restructuring of Commuter AS, Dovre Group's biggest shareholder	Mar 6, 2017	Increase in number of shares in Dovre Group Plc
Sep 29, 2017	Dovre Group's financial reporting in 2018	Feb 23, 2017	Notice of the annual general meeting of Dovre Group Plc
Sep 21, 2017	Dovre Group Plc - managers' transactions	Feb 23, 2017	Dovre Group's financial statement release January 1-December 31, 2016
Aug 3, 2017	Dovre Group: notification pursuant to chapter 9, section 5 of the Finnish Securities Markets Act	Feb 15, 2017	Change in Dovre Group's executive team
Aug 3, 2017	Dovre Group Plc - managers' transactions (3 bulletins)	Febr 9, 2017	Publishing of Dovre Group's financial statement release 2016 and invitation to a briefing
Jul 27, 2017	Dovre Group half year financial report January 1-June 30, 2017		
Jun 28, 2017	Dovre Group Plc - managers' transactions		
Jun 22, 2017	Dovre Group Plc - managers' transactions		

All stock exchange releases are available on the company's website at [www.dovregroup.com](http://www.dovregroup.com) > **Investors**



**REPORT OF THE BOARD  
OF DIRECTORS  
JAN. 1-DEC. 31, 2017**



# 1. REPORT OF THE BOARD OF DIRECTORS

## MARKET SITUATION

The project personnel market is recovering. Demand has picked up, albeit from a low level, especially in our main markets in Norway and Singapore. In the oil and gas, energy, infrastructure, and industry sector there are more larger projects

than in the previous years. The prices and margins are still on a modest level.

In the consulting business the market has remained fairly stable.

## KEY FIGURES

EUR MILLION	2017	2016	CHANGE %
Net sales	62.7	83.8	-25.2
Operating result	0.1	0.0	1,175.6
% net sales	0.1	0.0	
Result	-0.5	-1.7	67.2
% of net sales	-0.9	-2.0	
Net cash flow from operations	-0.9	0.6	-257.1
Net debt	-2.1	-4.7	-55.1
Debt-equity ratio (Gearing), %	-9.4	-18.3	-48.6
Earnings per share, EUR:			
Undiluted	-0.01	-0.02	67.3
Diluted	-0.01	-0.02	67.3

## NET SALES AND PROFITABILITY

In January–December, Dovre Group's net sales decreased by 25.2%, totaling EUR 62.7 (83.8) million. Project Personnel accounted for 91 (92) % and Consulting for 9 (8) % of the Group's net sales. During the period under review, net sales for Project Personnel decreased 25.8%, totaling EUR 57.1 (76.9) million. Net sales for Consulting decreased by 18.9%, totaling EUR 5.6 (6.9) million.

By market area, EMEA's net sales totaled EUR 43.5 (53.4) million, accounting for 69.4 (64) % of the Group's net sales during the period under review. Net sales for AMERICAS were EUR 12.8 (16.9) million, accounting for 20.4 (20) % the Group's net sales. Net sales for APAC were EUR 6.4 (13.5) million, accounting for 10.2 (16) % the Group's net sales.

Fluctuations in foreign currency exchange rates did not have a significant impact on the Group's total net sales during the second half of the year or during the period under review.

During the period under review, the Group's operating result was EUR 0.1 (0.0) million. The Group's operating result was 0.1 (0.0) % of net sales. Project Personnel's operating result was EUR 0.8 (0.6) million and included a total of EUR 0.3

million restructuring costs. Consulting business area's operating result was EUR 0.7 (1.0) million. The operating result of the Group's Other functions was EUR -1.2 (-1.2) million. The unallocated expenses were EUR 0.3 (0.3) million.

During the period under review, the Group's result before taxes were EUR -0.4 (-1.5) million, including EUR -0.2 (-0.7) million in finance items. Majority of the financing costs relate to foreign exchange losses, both realized and unrealized. The result also includes the Group's share, EUR -0.2 (-0.8) million, of the result of the Group's joint venture SaraRasa Bioindo Pte Ltd. Part of the loss in 2017 is explained by the fact that the shareholder agreement, published in May 2016, with a local Indonesian operator did not materialize, and the shareholder agreement was dissolved in the second half of 2017. In 2016 The Group's share of profit and loss in joint ventures included EUR -0.3 million impairment of deferred tax assets.

The Group's result after taxes were EUR -0.5 (-1.7) million. The Group's earnings per share was EUR -0.01 (-0.02). The Group's return on average capital employed before taxes (ROI) was -1.1 (-4.2) %.

## CASH FLOW, FINANCING, AND INVESTMENTS

On December 31, 2017, the Group balance sheet total was EUR 36.4 (42.8) million. The Group's cash and cash equivalent totaled EUR 5.2 (8.3) million. In addition, the parent company and the subsidiaries have unused facilities.

On December 31, 2017, the equity ratio was 62.2 (60.3) % and the debt-equity (gearing) -9.4 (-18.3) %. The interest-bearing liabilities amounted to EUR 3.0 (3.6) million, accounting for 8.3 (8.4) % of the Group's shareholders' equity and liabilities. A total of EUR 2.0 (1.9) million of the Group's interest-bearing liabilities were current and a total of EUR 1.0 (1.7) million non-current.

Net cash flow from operating activities was EUR -0.9 (0.6) million, which includes EUR -1.0 (0.8) million change in working

capital. The last day of the year was a Sunday, and approx. MEUR 2.0 payments from customers were received beginning of January.

Net cash flow from investing activities was EUR -0.3 (-0.3) million. Gross investments totaled EUR 0.2 (0.3) million.

Net cash flow from financing activities was EUR -1.4 (-3.2) million. The Group paid back loans a total of EUR 2.0 (2.9) million. During the period under review, the Group paid a total of EUR 1.0 (1.0) million in dividends.

The balance sheet goodwill totaled EUR 15.2 (16.2) million on December 31, 2017. No indications of impairment exist.

## RESEARCH AND DEVELOPMENT

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

## PERSONNEL

On December 31, 2017, Dovre Group employed 476 (462) people, 438 (420) of which were employed by Project Personnel, 33 (37) by Consulting and 5 (5) by Other functions.

During the period under review, the average number of personnel employed by the Group was 468 (543). Project

Personnel employed 427 (498), Consulting 36 (40) and Other functions 5 (5). In the Project Personnel business area, 23 (27) % of employees were independent contractors.

In 2017, the Group's personnel expenses were EUR 56.4 (75.6) million.

## CHANGES IN GROUP EXECUTIVE TEAM

During the first quarter Frank Ween, a member of the Group Executive Team, resigned and Ole Olsen, a member of the Group Executive Team, was nominated as a member of the Board of Directors of Dovre Group Plc. In December Mari Paski was appointed the new Chief Financial Officer as of January 1, 2018, as Heidi Karlsson will pursue her career in the service of another company as of March 1, 2018.

As of January 1, 2018, Dovre Group's Group Executive Team consists of Patrick von Essen (CEO), Mari Paski (CFO), Arve Jensen (President, Project Personnel Norway) and Stein Berntsen (President, Consulting).

## BOARD

Dovre Group Plc's Annual General Meeting held on March 30, 2017, decided that the number of Board members be set at four (4). Rainer Häggblom, Aloysius (Louis) Harrewijn and Ilari Koskelo were re-elected as members of the Board, and Ole Olsen was elected as a new member of the Board. Convening after the Annual General Meeting, the Board of Directors of Dovre Group Plc re-elected Rainer Häggblom as Chairman of the Board. Ole Olsen was elected as Vice Chairman.

Dovre Group Plc's Annual General Meeting held on March 30, 2017, resolved that the chairman of the Board is paid EUR 35,000, the vice chairman of the Board EUR 25,000, and each other member of the Board EUR 22,000 per year. The total amount of the annual compensation paid to Board members and the method of payment did not change from the previous year.

## SHARES, SHAREHOLDERS, AND STOCK OPTIONS

### SHARE CAPITAL AND TRADING

On December 31, 2017, Dovre Group's share capital was EUR 9,603,084.48 and the total number of shares 100,168,769. There were no changes in the Group's share capital during the period under review. The change in the total number of shares, 300,000 in total, was due to shares subscribed for with the company's 2010C option plan. The increase in the total number of shares has been entered in the Finnish trade register on March 6, 2017.

In January–December 2017, approximately 22.7 (13.1) million Dovre Group shares were exchanged on the Nasdaq Helsinki Ltd., corresponding to a trade of approximately EUR 6.3 (3.9) million. The lowest quotation was EUR 0.22 (0.26) and the highest EUR 0.33 (0.36). The share officially closed at EUR 0.27 (0.29) on the last trading day of the year. The year-end market capitalization was approx. EUR 27.3 (29.0) million.

### OWN SHARES

In December the Board of Directors of Dovre Group Plc decided to commence repurchasing the company's own shares on the basis of the authorization given by the Annual General Meeting held on March 30, 2017. The repurchases started on December 5, 2017 and will end on March 28, 2018 at the latest.

During December 5–December 29, 2017 Dovre Group Plc repurchased in total 312,196 of its own shares with an average price of 0.2683 euro. The total price of the repurchased shares was 83,765.08 euro. At the end of December 2017 Dovre Group Plc held 312,196 of its own shares, representing approximately 0.3% of all the company's shares.

### SHAREHOLDERS AND HOLDINGS OF THE BOARD OF DIRECTORS AND THE CEO

On December 31, 2017, the number of registered shareholders of Dovre Group Plc totaled 3,373 (3,368), including 8 (8) nominee-registers. Of the Group's shares, 0.3 (0.3) % are nominee-registered.

On December 31, 2017, members of the Group's Board of Directors and the CEO held, including holdings through controlled companies, a total of 21,765,851 (5,103,408) shares in the company, representing 21.7 (5.1) % of all shares.

### STOCK OPTIONS

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

Under the 2013 option plan, the total number of stock options offered for subscription to Dovre Group's key personnel is 3,000,000. The share subscription period and price per series under the 2013 option plan are as follows:

- 2013A: Subscription price EUR 0.39; subscription period March 1, 2015–February 29, 2018.
- 2013B: Subscription price EUR 0.52; subscription period March 1, 2016–February 28, 2019.
- 2013C: Subscription price EUR 0.43; subscription period March 1, 2017–February 28, 2020.

No stock options were granted to key personnel under the Group's 2013 stock option plan during the period under review. A total of 100,000 stock options were returned to the company. At the end of the period under review, the company had granted a total of 2,350,000 options under the 2013 option plan and had in reserve a total of 650,000 options.

Dovre Group's 2010 option plan expired in accordance with the terms of the option plan on February 28, 2017, when the subscription period for 2010C option series ended. A total of 505,000 shares were subscribed for with the 2010C option series, a total of 300,000 of which were subscribed for during the period under review. The remaining 270,000 stock options were cancelled.

## HOLDINGS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

On December 31, 2017, the members of the Board of Directors, including ownership through controlled companies, held a total of 21,765,851 (4,971,408) shares, representing approximately 21.7 (5.0) % of all shares and votes.

On December 31, 2017, the CEO of Dovre Group Plc held a total of 151,000 shares, representing approximately 0.2% of all shares and votes.

On December 31, 2017, the Group's CEO Patrick von Essen held a total of 675,000 stock options granted under the 2013A, 2013B, and 2013C option plans. On December 31, 2017, Ole Olsen, member of the Group's Board of Directors, held a total of 50,000 stock options granted under the 2013A option plan.

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

Dovre Group Plc's Annual General Meeting held on March 30, 2017, adopted the financial statements and consolidated financial statements for 2016 and discharged the members of the Board of Directors and the CEO from liability for the financial year ending on December 31, 2016. 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 2016. The Annual General Meeting re-elected the Authorized Public Accountant entity Ernst & Young Ltd as the Company's auditor with Authorized Public Accountant Toni Halonen as the principal auditor.

The Annual General Meeting decided to amend Article 9 of the Articles of Association of the Company so that it corresponds to the changed terminology of the Auditing Act. After the amendment, Article 9 of the Articles of Association reads as follows: The company has one Auditor who shall be an audit firm. The auditor's term ends at the end of the first Annual General Meeting following the election.

The Annual General Meeting resolved, in accordance with the Board of Directors' proposal, to accept the termination of the lock-up agreement as from March 30, 2017 as regards the consideration shares in Dovre Group Plc, 18,226,509 in total, given to Commuter AS in connection with the merger with NPC.

The Annual General Meeting also resolved, in accordance with the Board of Directors' proposal, to accept the termination of the lock-up agreement as from March 30, 2017 as regards the consideration shares in Dovre Group Plc, 18,226,509 in total, given to Visual Engineering AS in connection with the merger with NPC.

The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the Company's own shares on the following conditions: the Board is entitled to decide on repurchase of a maximum of 9,900,000 of the Company's own shares, which shall be repurchased in deviation from the proportion to the holdings of the shareholders using the non-restricted equity and acquired through trading at the regulated

market organized by Nasdaq Helsinki Ltd at the share price prevailing at the time of acquisition. This number of shares corresponds to approximately a maximum of 10.0% of the total number of shares in the Company. The shares may be repurchased in order to be used as consideration in possible acquisitions or other arrangements related to the Company's business, to finance investments or as part of the Company's incentive program or to be held, otherwise conveyed or cancelled by the Company. The Board of Directors shall decide on other matters related to the repurchase of the Company's own shares. This repurchase authorization is valid until June 30, 2018 and revokes earlier repurchase authorizations.

The Annual General Meeting authorized the Board of Directors 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 on the following conditions:

By virtue of the authorization, the Board may also decide on a directed issue of shares and special rights, i.e. waiving the pre-emptive subscription rights of the shareholders, under the requirements of the law. By virtue of the authorization, a maximum of 9,900,000 shares may be issued, corresponding to approximately a maximum of 10.0% of the Company's existing shares. The Board may use the authorization in one or more instalments. The Board may use the authorization to finance or conclude acquisitions or other arrangements, to strengthen the Company's capital structure, to incentive programs or other purposes decided by the Board. The new shares may be issued or the Company's own shares conveyed either against payment or free of charge. The new shares may also be issued as an issue without payment to the Company itself. The Board was authorized to decide on other terms of the issuance of shares and special rights. By virtue of the authorization, the Board of Directors may decide on the realization of the Company's own shares possibly held by the Company as pledge. The authorization is valid until June 30, 2018. The authorization

revokes earlier authorizations to issue shares and grant option rights and other special rights entitling to shares.

In December the Board of Directors of Dovre Group Plc decided to commence repurchasing the company's own shares on the basis of the authorization given by the Annual General

Meeting held on March 30, 2017. The repurchases started on December 5, 2017 and will end on March 28, 2018 at the latest. The Board of Directors did not use the other authorizations granted by the Annual General Meeting held on March 30, 2017 during the period under review.

## **CORPORATE GOVERNANCE STATEMENT**

Dovre Group follows the recommendations of the Corporate Governance Code (2015) issued by the Finnish Securities Market Association. The Corporate Governance Statement 2017 has been issued separately from the Report of the Board of

Directors. Dovre Group's corporate governance principles are available on the company's website at [www.dovregroup.com](http://www.dovregroup.com) -> Investors.

## **SHORT-TERM RISKS AND UNCERTAINTIES**

In the Project Personnel business area, the Group's most significant risks include the cyclicity of our clients' business. Market developments in Norway are particularly important for Project Personnel due to the business area's strong position in the Norwegian market. In addition, expansion to new client segments requires expenditure and includes risks. The business area's other challenges are maintaining its competitiveness and profitability. Project Personnel business is project-based by nature, thus adding an element of uncertainty to forecasting. From time to time there might be a dependency locally on one major project or client. Dovre Group is responsible for the work performed by its consultants. However, the company has no overall responsibility for project delivery.

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

Dovre Group holds a minority share in SaraRasa Bioindo Pte. Ltd. (Bioindo), a company producing pellets from wood residue. Bioindo's production unit is located in Indonesia and is thus exposed to high country risk. Other significant risks include risks relating to commercial agreements, especially feedstock purchase and end-product sale agreements. Dovre Group calculates the result of the joint venture based on unaudited figures, hence the financial information on Bioindo is accompanied by uncertainty.

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

## OUTLOOK FOR 2018

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

In the Project Personnel business area, demand has improved, but the price level in the oil and gas industry is still lower than in recent years. Thanks to a strong portfolio

of frame agreements, cost savings already implemented, as well as improving demand, we expect our operating result to improve from 2017.

In the Consulting business area, market outlook remains unchanged.

We expect the Group's net sales and operating result to improve compared to 2017.

## BOARD OF DIRECTORS' PROPOSAL FOR DIVIDEND

The parent company's distributable funds were EUR 23,334,137.19 on December 31, 2017. The Board of Directors proposes to the Annual General Meeting to be held on March 28, 2018 that a dividend of EUR 0.01 per share to be paid. The Board of Directors further proposes that the dividend is paid to a shareholder who on the record date April 3, 2018 is registered as a shareholder in the company's shareholder

register maintained by Euroclear Finland Ltd and that the dividend be paid on April 10, 2018. It is stated that dividend is not paid to the shares owned by the company. No significant changes have occurred in the company's financial position after the end of the financial year. The company's liquidity is good, and the proposed distribution of dividend poses no risk to the company's financial standing.

Espoo, February 21, 2018

Dovre Group Plc  
Board of Directors

**CONSOLIDATED  
FINANCIAL STATEMENTS,  
IFRS**





## 2. CONSOLIDATED FINANCIAL STATEMENTS, IFRS

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR THOUSAND	NOTE	JAN. 1.-DEC. 31, 2017	JAN. 1.-DEC. 31, 2016
<b>NET SALES</b>	3	62,681	83,810
Other operating income	4	67	178
Material and services	5	-113	-118
Employee benefits expense	6	-56,375	-75,617
Depreciation and amortization	7	-484	-578
Other operating expenses	8	-5,724	-7,670
<b>OPERATING RESULT</b>		<b>52</b>	<b>4</b>
Financing income	9	89	77
Financing expenses	9	-324	-780
Share of results in joint ventures	15	-215	-846
<b>RESULT BEFORE TAX</b>		<b>-398</b>	<b>-1,545</b>
Tax on income from operations	10	-149	-124
<b>RESULT FOR THE PERIOD</b>		<b>-547</b>	<b>-1,669</b>
<b>Other comprehensive income</b>			
Items which may be subsequently reclassified to profit and loss:			
Translation differences		-1,645	1,097
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-2,192</b>	<b>-572</b>
Earnings per share calculated from profit attributable to shareholders of the parent company:			
<b>Earnings per share, undiluted (EUR), result for the period</b>	11	<b>-0.01</b>	<b>-0.02</b>
<b>Earnings per share, diluted (EUR), result for the period</b>	11	<b>-0.01</b>	<b>-0.02</b>
Average number of shares:			
Undiluted	11	100,118,769	99,868,769
Diluted	11	100,129,956	99,932,539

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR THOUSAND	NOTE	DEC. 31, 2017	DEC. 31, 2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	12	3,183	3,696
Goodwill	13	15,177	16,198
Tangible assets	14	1,010	966
Investments in joint ventures	15	61	304
Other receivables	16	125	95
Deferred tax asset	17	183	193
<b>NON-CURRENT ASSETS</b>		<b>19,740</b>	<b>21,451</b>
<b>CURRENT ASSETS</b>			
Trade receivables and other receivables	18	11,427	12,957
Tax receivable, income tax		71	73
Cash and cash equivalents		5,151	8,313
<b>CURRENT ASSETS</b>		<b>16,649</b>	<b>21,343</b>
<b>TOTAL ASSETS</b>		<b>36,389</b>	<b>42,794</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	19	9,603	9,603
Reserve for invested non-restricted equity	19	12,300	12,219
Revaluation reserve	19	2,869	2,869
Treasury shares	19	-84	0
Translation differences		-3,251	-1,605
Retained earnings		1,188	2,729
<b>SHAREHOLDERS' EQUITY</b>		<b>22,625</b>	<b>25,815</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability	17	788	903
Other non-current liabilities	21	1,050	1,673
Non-current provisions	24	0	152
<b>NON-CURRENT LIABILITIES</b>		<b>1,838</b>	<b>2,728</b>
<b>CURRENT LIABILITIES</b>			
Short-term liabilities, interest-bearing	22	1,977	1,928
Trade payables and other liabilities	25	9,739	11,855
Tax liability, income tax		210	132
Current provisions	24	0	336
<b>CURRENT LIABILITIES</b>		<b>11,926</b>	<b>14,251</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,389</b>	<b>42,794</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS, IFRS

EUR THOUSAND	NOTE	2017	2016
<b>Cash flow from operating activities</b>			
Operating result, continuing operations		52	4
Adjustments:			
Depreciation/amortization	7	484	578
Personnel expenses	6	7	104
Restructuring provision	24	-111	0
<b>Adjustments, total</b>		<b>380</b>	<b>682</b>
Changes in working capital:			
Trade and other receivables, increase (-) / decrease (+)		628	7,143
Trade and other payables, increase (+) / decrease (-)		-1,636	-6,314
<b>Changes in working capital, total</b>		<b>-1,008</b>	<b>829</b>
Interest paid		-52	-120
Interest received		16	34
Other financial expenses paid and received		-173	-557
Income taxes paid		-106	-305
<b>Net cash generated by operating activities</b>		<b>-891</b>	<b>567</b>
<b>Cash flow from investing activities</b>			
Investments in tangible and intangible assets		-293	-109
Purchase of shares in joint ventures		3	-124
Increase (-) / decrease (+) in loans receivable		-47	-89
<b>Net cash generated by investing activities</b>		<b>-337</b>	<b>-322</b>
<b>Cash flow from financing activities</b>			
Stock options exercised		81	0
Repurchases of own shares		-69	0
Repayments of non-current loans	26	-600	-600
Proceeds from short-term loans	26	1,576	687
Repayments of short-term loans	26	-1,403	-2,294
Dividends paid		-1,002	-999
<b>Net cash generated by financing activities</b>		<b>-1,417</b>	<b>-3,206</b>
Translation differences		-517	372
<b>Change in cash and cash equivalents</b>		<b>-3,162</b>	<b>-2,589</b>
Cash and cash equivalents at the beginning of the period		8,313	10,902
<b>Cash and cash equivalents at the end of the period</b>		<b>5,151</b>	<b>8,313</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, IFRS

### Equity attributable to the shareholders of the parent

EUR THOUSAND	SHARE CAPITAL	RESERVE FOR INVESTED NON-RESTRICTED EQUITY	FAIR VALUE RESERVE	TREASURY SHARES	TRANSLATION DIFFERENCES	RETAINED EARNINGS	TOTAL EQUITY
<b>SHAREHOLDERS' EQUITY</b>							
Jan. 1, 2016	9,603	12,219	2,869	0	-2,701	5,339	27,329
<b>Comprehensive income</b>							
Result for the period						-1,669	-1,669
Other comprehensive income							
Items that may be reclassified to profit and loss in subsequent periods:							
Translation differences					1,096	1	1,097
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,096</b>	<b>-1,668</b>	<b>-572</b>
<b>Transactions with shareholders</b>							
Share based compensation						57	57
Dividend distribution						-999	-999
<b>Total transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-942</b>	<b>-942</b>
<b>SHAREHOLDERS' EQUITY</b>							
Dec. 31, 2016	9,603	12,219	2,869	0	-1,605	2,729	25,815

### Equity attributable to the shareholders of the parent

EUR THOUSAND	SHARE CAPITAL	RESERVE FOR INVESTED NON-RESTRICTED EQUITY	FAIR VALUE RESERVE	TREASURY SHARES	TRANSLATION DIFFERENCES	RETAINED EARNINGS	TOTAL EQUITY
<b>SHAREHOLDERS' EQUITY</b>							
Jan. 1, 2017	9,603	12,219	2,869	0	-1,605	2,729	25,815
<b>Comprehensive income</b>							
Result for the period						-547	-547
Other comprehensive income							
Items that may be reclassified to profit and loss in subsequent periods:							
Translation differences					-1,646	1	-1,645
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,646</b>	<b>-546</b>	<b>-2,192</b>
<b>Transactions with shareholders</b>							
Share based compensation						7	7
Exercised stock options		81					81
Repurchases of own shares				-84			-84
Dividend distribution						-1,002	-1,002
<b>Total transactions with shareholders</b>	<b>0</b>	<b>81</b>	<b>0</b>	<b>-84</b>	<b>0</b>	<b>-995</b>	<b>-998</b>
<b>SHAREHOLDERS' EQUITY</b>							
Dec. 31, 2017	9,603	12,300	2,869	-84	-3,251	1,188	22,625

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS, IFRS

## 1. GENERAL INFORMATION

Dovre Group is a global provider of project personnel and project management services and software. The Group's parent company, Dovre Group Plc, is a public limited company incorporated under Finnish law and domiciled in Helsinki, Finland. The company's registered address is Maapallonkuja 1 B, 02210 Espoo, Finland. Dovre Group Plc's shares are listed on Nasdaq Helsinki Ltd (symbol DOVIV).

Dovre Group's Board of Directors has approved these financial statements for publication in its meeting on February 21, 2018. In accordance with the Finnish Companies Act, the shareholders of the company have the option to adopt, reject, or amend the financial statements in the Annual General Meeting to be held following their publication. A copy of the consolidated financial statements of Dovre Group is available online at [www.dovregroup.com](http://www.dovregroup.com) or at the company's offices at Maapallonkuja 1 B, 02210 Espoo, Finland.

## 2. ACCOUNTING PRINCIPLES

### Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). In preparing the financial statements, the IAS and IFRS standards and SIC and IFRIC interpretations effective on December 31, 2017 have been followed. In accordance with the Finnish Accounting Act and the regulations issued by virtue of it, 'IFRS' refers to the standards and interpretations, which have been endorsed by the EU in accordance with the procedure defined in the EU Regulation (EC) No. 1606/2002. The notes to the consolidated financial statements also comply with the provisions of Finnish accounting and corporate legislation that supplement IFRS provisions.

As of January 1, 2017, the Group has adopted the following revised, and amended IFRS standards with the effective date of January 1, 2017: *IAS 7 Statement of Cash Flows* (amended), *IAS 12 Income Taxes* (amended), and *Annual Improvements to IFRSs 2012-2014 Cycle*. These amendments did not have a material impact.

The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated. Monetary figures in the financial statements are expressed in thousands of euros (EUR thousand) unless otherwise stated.

The preparation of consolidated financial statements in accordance with IFRS requires management to make certain estimates and exercise judgment when applying accounting principles. The areas involving a higher degree of judgment or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed under 'Critical Accounting Estimates and Judgments'.

### Principles of consolidation

#### Subsidiaries

The consolidated financial statements include the parent company, Dovre Group Plc, and all its subsidiaries. Subsidiaries are companies in which the Group holds control either directly or indirectly. Control arises when the Group either controls more than half of the voting

rights or otherwise holds control. Subsidiaries are fully consolidated in the Group's financial statements from the date on which control has been transferred to the Group. They are deconsolidated from the date that control ceases.

Mutual shareholdings are eliminated using the acquisition method. The acquisition consideration and the acquired company's identifiable assets acquired and liabilities assumed are measured at fair value on the date of acquisition.

All intra-Group transactions, receivables, liabilities, unrealized gains, and the distribution of profits within the Group are eliminated in the consolidated financial statements.

Dovre Group consolidates all wholly owned subsidiaries. The share of non-controlling interest is not disclosed in the statement of financial position, as the parent company had a call option, which gave the Group present access to financial benefits associated with the ownership. Dovre Group Plc exercised the option in 2016, after which all subsidiaries were wholly owned.

#### Joint ventures

Joint ventures are entities where material decisions about the relevant activities require unanimous consent of the parties sharing control. Joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. Joint ventures include goodwill arising from the acquisition.

The Group's share of results in joint ventures is presented as a separate line item below the Group's operating result in the consolidated statement of income, because the operations of the Group's joint ventures are not linked to the Group's business operations. The Group's share of changes in the joint ventures' other comprehensive income is recognized in the Group's other comprehensive income.

### Foreign currency translation

Items included in the financial statements are initially recognized in the functional currencies of each Group company. Consolidated financial statements are presented in euros, which is the parent company's functional and presentation currency.

#### Foreign currency transactions

Foreign currency transactions are recorded in the functional currency at the rate of exchange prevailing on the date of transaction. In practice, transactions are often translated at the rate of exchange that approximates the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies held at the end of the reporting period are translated using the period end exchange rate.

Foreign exchange gains and losses resulting from business transactions and from the translation of monetary items at period end exchange rates are recognized in the income statement and recorded in financial income and expenses.

#### Translation of financial statements of the Group's foreign subsidiaries

The statements of income of the Group's foreign subsidiaries are translated into euros at the weighted average rate of exchange for the financial period and the items in the statement of financial posi-

tion at the rate of exchange at the end of the reporting period. The use of different exchange rates for items in the income statement and items on the statement of financial position results in a translation difference, which is recorded in the Group's other comprehensive income. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and from equity items accumulated after the acquisition are also recorded in other comprehensive income.

As of the IFRS effective date of January 1, 2004, the translation differences in equity resulting from exchange rate fluctuations have been entered as a separate item in translation differences in the consolidated statement of changes in shareholders' equity. Translation differences accumulated prior to the effective date have been entered in the Group's retained earnings as allowed by the exemption in IFRS 1.

### **Tangible assets**

Tangible assets are stated at historical cost, less accumulated depreciation and impairment losses.

Tangible assets include machinery and equipment as well as renovation expenditure relating to leased premises. Depreciation is calculated on a straight-line basis over the expected economic useful lives of the assets, which is 3-5 years.

Gains and losses on disposal of tangible assets are recognized in either other operating income or other operating expenses.

### **Intangible assets**

#### *Goodwill*

For business combinations after January 1, 2010, goodwill represents the excess of the consideration transferred, non-controlling interest in the acquiree, and previously held interest in the acquiree over the Group's interest in the fair values of the acquired net assets. Acquisitions of companies between January 1, 2004, and December 31, 2009, are accounted for in accordance with previous IFRS standards (IFRS 3 (2004)). For acquisitions prior to 2004, goodwill represents the carrying amount determined in accordance with previous accounting standards and which is used as the deemed cost as defined by IFRS.

Goodwill is not amortized, but it is tested annually for possible impairment. For impairment testing, goodwill is allocated to groups of cash generating units. Goodwill is stated at the historical acquisition cost less any impairment. Goodwill arising in connection with the acquisition of foreign subsidiaries has been translated into euros at the rate of exchange at the end of the reporting period.

#### *Research and development costs*

Research and development costs are expensed as incurred. Development costs for new products and product versions with significant improvements are recognized as an asset according to IAS 38. In 2017, Dovre Group Plc has capitalized development work to create a construction cost control tool for building and construction entities. Dovre Group will start amortization when the software is ready that is estimated to be at the beginning of 2018. The capitalized development costs will be amortized over 3 years.

#### *Other intangible assets*

Other intangible assets include customer contracts and customer relations, trademarks, software, and other capitalized expenditure.

Intangible assets are recognized in the statement of financial position when the criteria specified in IAS 38 are met.

Intangible assets with limited useful economic lives are initially recognized at historical acquisition cost in the statement of financial position and entered as an expense in the income statement during their estimated useful economic lives using the straight-line method. No amortization is recognized for intangible assets with indefinite useful economic lives, but they are tested annually for impairment. Dovre Group has not determined a definite useful economic life for the trademark that relates to the merger between Dovre Group and NPC in 2015.

The useful economic life of customer agreements and customer relations is estimated at 10 years. The useful economic life of other intangible assets is estimated at 2-5 years.

### **Leases**

Lease agreements have been classified as finance leases and other leases in accordance with IAS 17. Lease agreements where the lessee bears a substantial part of the risks and benefits of ownership are classified as finance leases. Lease agreements where the lessor retains a significant part of the risks and benefits of ownership are classified as operating leases.

The Group has no finance leases. The Group's operating leases include cars and office equipment. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

### **Impairment of assets**

Goodwill, intangible assets with indefinite useful economic lives, and intangible assets not ready to use are annually tested for impairment. In addition, assets and cash-generating units are regularly tested for indications of possible impairment. Should any such indications arise, the recoverable amount of the asset or cash-generating unit is estimated. An impairment loss is recognized in the income statement, if the carrying value of the asset or cash-generating unit exceeds its recoverable amount.

### **Employee benefits**

#### *Employee benefits expense*

In addition to normal employee benefits expenses, the Group's employee benefits expense includes also expenses related to independent contractors in the Project Personnel business area. The Group acts as a principal towards its clients and, depending on the situation, the project personnel contracted to the client are either employees of the Group or independent contractors.

#### *Pension liabilities*

The Group operates various pension plans in accordance with local regulations and practices. In accordance with IAS 19, pension plans are classified as either defined contribution or defined benefit plans. The Group's current pension plans are defined contribution plans. Contributions to defined contribution plans are charged to the statement of income in the period to which these contributions relate. The defined benefit plan that was previously in use in the Group's Norwegian subsidiary was changed to a defined contribution plan in 2011.

### *Share-based compensation*

Dovre Group operates share-based incentive plans for its key employees. The fair value of the option rights is determined on the grant date and recognized as an expense over the vesting period on a straight-line basis. The fair value of the options granted is determined using the Black & Scholes pricing model. When options are exercised, the proceeds received for share subscriptions, less any potential transaction costs, are recognized in the reserve for invested non-restricted equity in accordance with the terms of the option plan in question.

### **Provisions**

Provisions are recognized when the Group has, as a result of past events, a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

### **Income taxes and deferred taxes**

The tax expense presented in the income statement comprises current taxes based on taxable result for the financial year and deferred taxes. Current income taxes are calculated from taxable result on the basis of current tax legislation in the countries where the Group operates and generates taxable income. Deferred taxes are determined using tax rates effective at the end of the reporting period.

Deferred taxes are recognized for temporary differences arising between the carrying amount of assets and liabilities and their tax bases. Deferred tax liabilities are recognized in full in the statement of financial position, and deferred tax assets only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax is not recognized for temporary differences that arise from goodwill that is not deductible for tax purposes or for the undistributed earnings of subsidiaries to the extent that the reversal of temporary differences is not probable in the foreseeable future. Most significant temporary differences arise from fair value measurements made in connection with acquisitions.

### **Revenue recognition**

The Group's sales consist of revenue from the sale of services and licenses, and maintenance. Revenue from sales is recognized in accordance with IAS 18. Revenue from services sold is recognized when the services have been rendered, including all related travel expenses invoiced to the client. Revenue from licenses sold is recognized upon granting of user rights when all the main risks and rewards of license ownership have been transferred to the buyer. Revenue from maintenance is allocated to the contract period.

### **Other operating income**

Other operating income includes proceeds from rental revenue, gains on disposal of fixed and financial assets, and public funding. Public funding is recognized when it is reasonably certain that the terms related to funding are met and that the funding will be received.

### **Financial assets and liabilities**

#### *Financial assets*

In accordance with IAS 39 Financial Instruments: Recognition and Measurement, the Group classifies its financial assets into the fol-

lowing categories: financial assets at fair value through profit or loss; held-to-maturity investments; loans and receivables; and available-for-sale financial assets. The Group has no held-to-maturity investments and no available-for-sale financial assets.

*Loans and receivables* are recognized at amortized cost. They are presented in the statement of financial position as either current or non-current assets, with the latter including assets with maturities greater than 12 months. An impairment loss for doubtful receivables is incurred, if there is objective evidence that the receivable is unrecoverable in full. Allowances for trade receivables are recorded in a separate impairment account. Impairment losses for loans and other receivables are recorded against their carrying value.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash in bank and other liquid investments with maturities of three months or less.

#### *Derivative financial instruments*

Dovre Group has not had derivative financial instruments in 2017 and 2016.

#### *Financial liabilities*

In accordance with IAS 39, financial liabilities are initially recognized on the basis of the original consideration received, less transaction costs, and subsequently measured at amortized cost using the effective interest rate method. The Group's financial liabilities are non-current and current, and they can be interest-bearing or non-interest-bearing. Interest expenses are recognized in the income statement as incurred. Financial liabilities are recognized as current unless the Group retains the right to reschedule the date of payment to a date that is later than at least 12 months after the end of the financial period.

### **Critical accounting estimates and judgments**

The preparation of consolidated financial statements requires the management to make estimates and assumptions concerning the future that may differ from actual results. Also, the management is required to use judgment when applying accounting principles. The estimates are based on the management's best knowledge and understanding at the end of the reporting period.

The Group's estimates and assumptions relate to the valuation of assets, impairment of trade receivables, deferred tax assets, and provisions. The Group annually tests goodwill and intangible assets with indefinite useful economic lives for impairment and monitors indications of impairment in accordance with the accounting principles presented above. The recoverable amounts of cash-generating units are determined using calculations based on value-in-use. The preparation of these calculations requires the use of estimates and assumptions. The Group recognizes an impairment loss on trade receivables if payment is delayed more than 360 days or on a case-by-case basis, if there is objective evidence that the receivable is irrecoverable.

### **Application of new and revised IFRS and interpretations**

The Group applies new and revised standards and interpretations as of the effective date of each standard or interpretation or, when the effective date is other than the first day of the financial year, as of the first day of the financial year following the effective date of the standard.

IASB has released three new standards - IFRS 15 *Revenues from Contracts with Customers*, IFRS 9 *Financial Instruments* and IFRS 16 *Leases* - which the Group will adopt as of their effective date of each standard: IFRS 9 and IFRS 15 as of the effective date of January 1, 2018, and IFRS 16 as of the effective date of January 1, 2019.

#### *IFRS 15 Revenues from Contracts with Customers*

Under IFRS 15 a company will apply five-step model when and how it will recognize revenue from the customer contracts. The standard will not have material impact in Dovre Group.

Project personnel segment and Consulting Norway has only one performance obligation, which is service, and the revenue is recognized over time based on the work done. Consulting Finland may have several performance obligations depending the contract, as the unit sells portfolio and project management IT tools, which are separate performance obligations from service. However, IT tools are usually sold as license lease or as part of a cloud service and thus, the revenue is also recognized over time. The revenue of travel and other out-of-pocket expenses reimbursed by a customer are recognized when invoiced and presented as part of service sale. Portion of service sale in Dovre Group is 99.5%.

The Group's segment information is prepared in accordance with IFRS. The current segment presentation of net sales is also in accordance with IFRS 15. Accrued income on sales is presented in the note 18 Sales and other receivables. Deferred revenue is only presented by Dovre Group Plc, which invoices maintenance, license lease, cloud service and other service fees in advance.

#### *IFRS 9 Financial Instruments*

IFRS 9 is split into three distinct categories: classification and measurement, impairment and hedging. The standard will not have material impact in Dovre Group.

Financial assets in Dovre Group are loans and other receivables, which are recognized at amortized cost. Loan receivable is from SaraRasa joint venture and it will be converted into equity shares at the beginning of 2018.

The most material financial asset is trade receivables. Under IFRS 9 an entity shall apply the expected credit loss model when recognizing a loss allowance on financial assets that are recognized at amortized cost. Dovre Group has not recognized any impairment on trade receivables in 2017 and 2016. The new model does not have material impact, as trade receivables are not significantly overdue in Dovre Group.

Dovre Group does not have open derivative contracts, and the Group has not applied hedge accounting.

#### *IFRS 16 Leases*

Under IFRS 16 an entity will recognize a lease asset and a lease liability for almost all lease contracts. Exceptions are lease contracts, which have less than 12 month rent period or the value of the lease asset as a new is less than 5,000 US dollars.

Dovre Group has started an assessment of the impacts on its consolidated financial statements. The lease contracts in Dovre Group are mainly office leases with rent periods of 3-5 years and with options to extend the term. In addition to the lease contracts, the Group has few lease contracts for cars. Dovre Group will recognize new assets and liabilities for its office and car leases. The standard will also have an impact on the income statement, as a lease expense will be split between depreciation of an asset and interest expense. The standard will also impact on the cash flow statement, as the repayment of the leasing liability will be presented in the cash flow from financing activities.

Dovre Group will do more detailed assessments of the impacts and the transition approach over the next twelve months.

### 3. SEGMENT INFORMATION

#### REPORTING SEGMENTS

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

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

The Group's segment information is based on internal management reporting prepared in accordance with IFRS standards. The Group does not allocate the parent company's intra-Group charges to segments for the purposes of segment reporting. Unallocated expenses include amortization of customer agreements and relations, share-based compensation recognized as expense in the income statement, financial items, result of the Group's joint venture, and income taxes. Pricing between segments is based on fair market price.

#### Distribution of net sales by segment

EUR THOUSAND	2017	% OF NET SALES	2016	% OF NET SALES
Project Personnel	57,063	91.0%	76,882	91.7%
Consulting	5,618	9.0%	6,928	8.3%
<b>Total</b>	<b>62,681</b>	<b>100.0%</b>	<b>83,810</b>	<b>100.0%</b>



## Distribution of net sales by revenue type

EUR THOUSAND	2017	% OF NET SALES	2016	% OF NET SALES
Services	62,363	99.5%	83,431	99.5%
One-time license revenue	174	0.3%	199	0.2%
Recurring license revenue	144	0.2%	180	0.2%
<b>Total</b>	<b>62,681</b>	<b>100.0%</b>	<b>83,810</b>	<b>100.0%</b>

## Geographical division of net sales by location of assets

EUR THOUSAND	2017	% OF NET SALES	2016	% OF NET SALES
Finland	4,216	6.7%	3,185	3.8%
Norway	38,927	62.1%	47,772	57.0%
Canada	10,944	17.5%	13,547	16.2%
Singapore	5,840	9.3%	11,673	13.9%
Other	2,754	4.4%	7,633	9.1%
<b>Total</b>	<b>62,681</b>	<b>100.0%</b>	<b>83,810</b>	<b>100.0%</b>

The Group has three major customers, each of which accounts for more than 10% of the Group's net sales. In 2017, the Group's income from these customers was approximately EUR 22 million (approx. EUR 20 million in 2016) and is mainly included in the Project Personnel business area.

## OPERATING RESULT

EUR THOUSAND	2017	2016	CHANGE %
Project Personnel	808	585	38.1%
Consulting	711	954	-25.4%
Other functions	-1,200	-1,199	-0.1%
Unallocated	-267	-336	20.4%
<b>Total</b>	<b>52</b>	<b>4</b>	<b>1,175.6%</b>

## PERSONNEL

AVERAGE NUMBER OF PERSONNEL	2017	2016
Project Personnel	427	498
Consulting	36	40
Other functions	5	5
<b>Total</b>	<b>468</b>	<b>543</b>

In the Project Personnel business area, 23 (27) % of employees were independent contractors.

## NON-CURRENT ASSETS

EUR THOUSAND	2017	2016
Finland	1,055	1,734
Norway	1,297	1,616
Singapore	527	508
Canada	3	28
Other	0	3
Trademark	1,373	1,494
Goodwill	15,177	16,198
<b>Total</b>	<b>19,432</b>	<b>21,580</b>

Non-current assets excluding financial instruments and deferred tax assets by location of assets. Goodwill and trademark have not been allocated geographically.

#### 4. OTHER OPERATING INCOME

EUR THOUSAND	2017	2016
Rents	48	66
Other operating income	19	112
<b>Total</b>	<b>67</b>	<b>178</b>

#### 5. MATERIAL AND SERVICES

EUR THOUSAND	2017	2016
License fees	-63	-81
External services	-51	-38
<b>Total</b>	<b>-113</b>	<b>-118</b>

#### 6. EMPLOYEE BENEFITS EXPENSE

EUR THOUSAND	2017	2016
Salaries and fees	-51,505	-70,305
Pension expenses, defined contribution plans	-918	-1,141
Share options granted to employees *)	-7	-57
Other employee benefits	-3,946	-4,113
<b>Total</b>	<b>-56,375</b>	<b>-75,617</b>

\*) Notes information on share-based compensation is presented in note 20 Share-based Compensation.

Information on management remuneration and fringe benefits as well as compensation for key personnel is presented in note 31 Related Party Transactions.

#### 7. DEPRECIATION AND AMORTIZATION

EUR THOUSAND	2017	2016
Amortization according to plan, intangible assets	-382	-473
Depreciation according to plan, tangible assets	-102	-105
<b>Total</b>	<b>-484</b>	<b>-578</b>

## 8. OTHER OPERATING EXPENSES

EUR THOUSAND	2017	2016
Premises	-651	-811
Marketing	-150	-172
Travel	-3,051	-4,536
Administration and other operating expenses	-1,872	-2,151
<b>Total</b>	<b>-5,724</b>	<b>-7,670</b>

RESEARCH AND DEVELOPMENT EUR THOUSAND	2017	2016
Research and development expenses on the balance sheet	-135	-106
<b>Total</b>	<b>-135</b>	<b>-106</b>

AUDITOR FEES EUR THOUSAND	2017	2016
External audit	-176	-217
Other services referred to in the Finnish Auditing Act	-1	-4
Tax consultancy	-39	-52
Other professional services	-17	-69
<b>Total</b>	<b>-233</b>	<b>-342</b>

## 9. FINANCING INCOME AND EXPENSES

FINANCING INCOME EUR THOUSAND	2017	2016
Foreign exchange gains	65	42
Other interest and financing income	24	35
<b>Financing income, total</b>	<b>89</b>	<b>77</b>

FINANCING EXPENSES EUR THOUSAND	2017	2016
Foreign exchange losses	-216	-553
Other interest and financing expenses	-108	-227
<b>Financing expenses, total</b>	<b>-324</b>	<b>-780</b>
<b>Financing income and expenses, total</b>	<b>-235</b>	<b>-703</b>

## 10. INCOME TAX

EUR THOUSAND	2017	2016
Tax on income from operations	-212	-191
Tax expense for prior years	14	26
Change in deferred tax assets and liabilities (Note 18)	49	40
<b>Total</b>	<b>-149</b>	<b>-124</b>

### Reconciliation of the tax expense recognized in the consolidated statement of income and income taxes computed at the Finnish statutory tax rate 20%

EUR THOUSAND	2017	2016
Result before tax	-398	-1,547
<b>Income tax expense at Finnish statutory rate</b>	<b>80</b>	<b>309</b>
Effect of different tax rates in foreign subsidiaries	-40	22
Income that is exempt from taxation and expenses that not deductible:		
Share of results in joint ventures	-43	-169
Other income and expenses	11	-36
Changes in corporate tax rates	14	21
Unrecognized tax benefits for losses for the period *)	-290	-288
Deferred tax liability for undistributed earnings	0	-35
Previously unrecognized and unused tax losses *)	119	117
Tax expense for prior periods	14	26
Impairment loss on deferred tax assets	-10	-123
Other items	-4	32
<b>Income tax in the consolidated statement of income</b>	<b>-149</b>	<b>-124</b>

\*) Comparatives for 2016 updated.

## 11. EARNINGS PER SHARE

### Undiluted earnings per share

Undiluted earnings per share is calculated by dividing the result attributable to the shareholders of the parent by the weighted average number of shares during the financial year.

UNDILUTED EARNINGS PER SHARE	2017	2016
Result attributable to the shareholders of the parent (EUR thousand)	-547	-1,669
Weighted average number of shares during the financial year (1,000)	100,119	99,869
<b>Undiluted earnings per share (EUR / share)</b>	<b>-0.01</b>	<b>-0.02</b>

UNDILUTED COMPREHENSIVE EARNINGS PER SHARE	2017	2016
Comprehensive result attributable to the shareholders of the parent (EUR thousand)	-2,192	-572
Weighted average number of shares during the financial year (1,000)	100,119	99,869
<b>Undiluted comprehensive earnings per share (EUR / share)</b>	<b>-0.02</b>	<b>-0.01</b>

## Diluted earnings per share

The potential increase in the number of shares caused by all instruments entitling to shares is taken into account when calculating the diluted earnings per share. The Group has instruments, share options, with the potential to increase the number of shares. An instrument has a dilutive effect when its subscription price is lower than the market value of the share. The weighted average number of shares and the dilutive effect are calculated quarterly taking into account those instruments that have an exercise price lower than the weighted average share price during that quarter. The dilutive effect is relative to the difference between the exercise price and the weighted average share price. The total dilutive effect for the financial year or several quarters is calculated as a weighted average for the period in question.

DILUTED EARNINGS PER SHARE	2017	2016
Result attributable to the shareholders of the parent (EUR thousand)	-547	-1,669
Weighted average number of shares during the financial year (1,000)	100,119	99,869
Stock option adjustment (1,000)	11	64
Weighted average number of shares for calculating the diluted earnings per share (1,000)	100,130	99,933
<b>Diluted earnings per share (EUR / share)</b>	<b>-0.01</b>	<b>-0.02</b>

DILUTED COMPREHENSIVE EARNINGS PER SHARE	2017	2016
Comprehensive result attributable to the shareholders of the parent (EUR thousand)	-2,192	-572
Weighted average number of shares during the financial year (1,000)	100,119	99,869
Stock option adjustment (1,000)	11	64
Weighted average number of shares for calculating the diluted earnings per share (1,000)	100,130	99,933
<b>Diluted comprehensive earnings per share (EUR / share)</b>	<b>-0.02</b>	<b>-0.01</b>

## 12. INTANGIBLE ASSETS

A significant part of the Group's customer agreements and relations was formed as a result of the Group's merger with NPC in 2015. On December 31, 2017, the item's carrying amount was EUR 1,664 thousand and its amortization period 7.4 years. Also the trademark relates to the merger between Dovre Group and NPC, as a result of which Dovre Group's logo was changed and is now a combination of both companies' logos. The Group has not determined a definite useful economic life for the trademark. The trademark is annually tested for impairment in connection with goodwill.

INTANGIBLE ASSETS 2017 EUR THOUSAND	CUSTOMER AGREEMENTS AND RELATIONS	TRADEMARK	DEVELOPMENT COSTS	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost, Jan. 1	2,680	1,427	0	381	4,488
Translation differences (+/-)	-182	-98	0	0	-280
Additions	0	0	98	3	101
Disposals	-194	0	0	0	-194
Acquisition cost, Dec. 31	2,304	1,329	98	384	4,115
Accumulated amortization and value adjustments, Jan. 1	-620	0	0	-172	-792
Translation differences (+/-)	49	0	0	0	49
Accumulated amortization from disposals	194	0	0	0	194
Amortization charges for the period	-260	0	0	-123	-382
Accumulated amortization and value adjustments, Dec. 31	-637	0	0	-295	-932
<b>Book value, Dec. 31, 2017</b>	<b>1,667</b>	<b>1,329</b>	<b>98</b>	<b>89</b>	<b>3,183</b>

INTANGIBLE ASSETS 2016 EUR THOUSAND	CUSTOMER AGREEMENTS AND RELATIONS	TRADEMARK	DEVELOPMENT COSTS	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost, Jan. 1	2,999	1,368		634	5,001
Translation differences (+/-)	145	60		1	206
Additions	0	0		128	128
Disposals	-464	0		-382	-846
Acquisition cost, Dec. 31	2,680	1,428		381	4,489
Accumulated amortization and value adjustments, Jan. 1	-760	0		-359	-1,119
Translation differences (+/-)	-46	0		-1	-47
Accumulated amortization from disposals	464	0		382	846
Amortization charges for the period	-278	0		-194	-473
Accumulated amortization and value adjustments, Dec. 31	-620	0		-172	-792
<b>Book value, Dec. 31, 2016</b>	<b>2,060</b>	<b>1,428</b>		<b>209</b>	<b>3,696</b>

### 13. GOODWILL

EUR THOUSAND	2017	2016
Acquisition cost, Jan. 1	16,198	15,588
Translation differences (+/-)	-1,021	610
<b>Book value, Dec. 31</b>	<b>15,177</b>	<b>16,198</b>

#### GOODWILL BY CASH GENERATING UNIT

EUR THOUSAND	2017	2016
Project Personnel	14,481	15,486
Consulting, Finland	484	484
Consulting, Norway	212	228
<b>Total</b>	<b>15,177</b>	<b>16,198</b>

#### Impairment testing

Goodwill is allocated to both of the Group's business areas. Impairment testing has been performed at the year end, with December 31, 2017 as the testing date. The recoverable amount of a cash generating unit is based on value in use calculations. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group's Project Personnel business area consists of one and the Consulting business area of two cash generating units. In the Consulting business area, the business area's operations in Norway form one cash generating unit and operations in Finland the other cash generating unit. As a result of the testing, no indications of impairment exist.

The discount rate used in testing is based on the weighted average cost of capital (WACC) after tax, which is based on risk-free rate of return, operational risks, market risk premium, comparable peer industry beta coefficient, cost of debt, and target capital structure. In 2017, the discount rate used was 11.00% (10.40% in 2016). The change in the discount rate was mainly due to an increase in the company specific discount rate. The discount rate before tax per unit varied between 13.57% and 13.64%.

Key variables used in testing are net sales growth rate and EBIT %, which are based on the Group's budget for 2018 and long term calculations as approved by the Board of Directors. For the projection period 2019-2022, the variables used varied across units. Terminal growth rate was 1% for all units. For the purposes of impairment testing, a share of the expenses of the Group's Other functions and a share of the Group's unallocated items have been allocated to the Group's cash generating units. The variables used are based on current business performance, the business area's market position, and the business area's potential for growth.

#### Project Personnel

The trademark, which has an indefinite useful life, was also tested in connection with goodwill. The book value of the trademark was EUR 1.4 million on December 31, 2017. The business area's market situation has been challenging due to the lower demand as well as the lower price level in the oil and gas sector. Demand is expected to pick up after 2017 so that the business area's net sales are expected to reach EUR 125 million by the end of the projection period, although this is still lower than pro forma net sales in 2015 (EUR 140 million). The net sales estimate used in calculations is

more cautious than the management's target for the projection period. The average rate of growth during the projection period is 17%. Profitability is expected to improve steadily with growing net sales. The average EBIT % during the projection period is 4%. Based on the calculations, the unit's recoverable amount exceeds its carrying amount by 24%. The sensitivity of the standard calculation was tested by changing the expected net sales growth rate. Based on the sensitivity analysis, growth in net sales and the achievement of approximately EUR 100 million during the projection period are critical in order for the business area's recoverable amount to exceed its carrying amount. Alternatively, over 2.5% higher discount rate, with all other factors remaining the same, would lead to impairment.

#### Consulting, Finland

In the calculation, the variables used for the whole projection period are based on the budget for 2018. As the majority of the unit's expenses are fixed, the calculation is sensitive to reaching the projected net sales. The management estimates that the Group's consulting business in Finland will reach the budgeted net sales and that as a result, it is reasonable to expect that the unit's recoverable amount exceeds its carrying amount.

#### Consulting, Norway

In the calculation, variables used for the whole projection period are based on the budget for 2018. The amount of goodwill to be tested is small compared to the recoverable amount..

## 14. TANGIBLE ASSETS

TANGIBLE ASSETS 2017 EUR THOUSAND	LAND	BUILDINGS	MACHINERY AND EQUIPMENT	TANGIBLE ASSETS	TOTAL
Acquisition cost, Jan. 1	240	638	704	56	1,638
Translation differences (+/-)	0	0	-49	-3	-52
Additions	0	0	151	0	151
Disposals	0	0	-12	0	-12
Acquisition cost, Dec. 31	240	638	794	53	1,725
Accumulated depreciation and value adjustments, Jan. 1	0	-35	-626	-11	-672
Translation differences (+/-)	0	0	46	1	47
Accumulated depreciation from disposals	0	0	12	0	12
Depreciation charges for the period	0	-17	-67	-18	-102
Accumulated depreciation and value adjustments, Dec. 31	0	-52	-635	-28	-715
<b>Book value, Dec. 31, 2017</b>	<b>240</b>	<b>586</b>	<b>158</b>	<b>25</b>	<b>1,010</b>

TANGIBLE ASSETS 2016 EUR THOUSAND	LAND	BUILDINGS	MACHINERY AND EQUIPMENT	TANGIBLE ASSETS	TOTAL
Acquisition cost, Jan. 1	240	638	699	0	1,577
Translation differences (+/-)	0	0	29	0	29
Additions	0	0	14	56	70
Disposals	0	0	-39	0	-39
Acquisition cost, Dec. 31	240	638	704	56	1,638
Accumulated depreciation and value adjustments, Jan. 1	0	-18	-563	0	-581
Translation differences (+/-)	0	0	-25	0	-25
Accumulated depreciation from disposals	0	0	39	0	39
Depreciation charges for the period	0	-17	-77	-11	-105
Accumulated depreciation and value adjustments, Dec. 31	0	-35	-626	-11	-672
<b>Book value, Dec. 31, 2016</b>	<b>240</b>	<b>603</b>	<b>77</b>	<b>45</b>	<b>966</b>

The shares in Kiinteistö Oy Kuukoti are divided into land and buildings. The parent company presents the shares in Kiinteistö Oy Kuukoti as shares in associates.

## 15. INVESTMENTS IN JOINT VENTURES

EUR THOUSAND	2017	2016
At the beginning of the financial year	304	1,029
Additions	-3	124
Share of profit and loss in joint ventures	-215	-846
Translation differences	-25	-3
<b>At the end of the financial year</b>	<b>61</b>	<b>304</b>

Dovre Group Plc's joint venture is SaraRasa Bioindo Pte. Ltd. (Bioindo), a company registered in Singapore. Dovre Group Plc holds 29% of the shares in Bioindo. Bioindo's wholly owned subsidiary SaraRasa Sinergy Pte. Ltd. holds 99% of the shares in its subsidiary that operates a pellet production plant using wood residue. The production plant is located in Indonesia. In 2016, Bioindo bought the remaining share of the production plant, 1%, from its previous owner, SaraRasa Biomass Pte. Ltd. SaraRasa Group's main line of business is the sale of biomass and renewable energy.

The shareholder agreement, published in May 2016, with a local Indonesian operator did not materialize, and the shareholder agreement was dissolved in the second half of 2017.

Bioindo's production unit is located in Indonesia and is thus exposed to high country risk. Other significant risks include risks relating to commercial agreements, especially feedstock purchase and end-product sale agreements. Dovre Group calculates the result of the joint venture based on unaudited figures, hence the financial information on Bioindo is accompanied by uncertainty.

### BALANCES WITH JOINT VENTURES

EUR THOUSAND	2017	2016
Loan receivables	125	95
Trade receivables	8	0
Interest income	8	0

Bioindo reports the loan receivable as prepayments from shareholders', as it has been decided to convert the loan receivable to equity. Bioindo paid the interest receivable, EUR 8 thousand, to Dovre Group in January 2018.

### Summary of joint ventures' financial information

EUR THOUSAND	SARARASA BIOINDO PTE. LTD.	
	2017	2016
Current assets	1,184	593
Non-current assets	1,995	2,020
Current liabilities	-3,106	-1,016
Non-current liabilities	-1,113	-3,364
Shareholders' prepayments *)	-1,209	0
Net sales	1,908	995
Result for the period	-743	-3,223
Reconciliation to book value on the Group's balance sheet:		
Group's ownership %	29.00%	29.00%
Group's share of net assets	-652	-512
Prepayments for additions *)	0	3
Goodwill	713	813
<b>Book value on the Group's balance sheet</b>	<b>61</b>	<b>304</b>

\*) In January 2016, Dovre Group Plc paid the remaining share, USD 135 thousand, of the increase in share capital agreed in July 2015.



## 16. NON-CURRENT ASSETS

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Non-current loan receivables from joint ventures	125	95
<b>Total</b>	<b>125</b>	<b>95</b>

## 17. DEFERRED TAX ASSETS AND LIABILITIES

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Deferred tax assets	183	193
Deferred tax liabilities	-788	-903
<b>Total</b>	<b>-605</b>	<b>-710</b>

### Reconciliation of deferred tax assets and liabilities 2017

EUR THOUSAND	JAN. 1, 2017	CHARGED TO INCOME STATEMENT	TRANSLATION DIFFERENCES	DEC. 31, 2017
Tax losses carried forward	196	-13	0	183
Restructuring provision	117	-114	-3	0
Allocation of fair value on acquisitions	-777	82	51	-644
Withholding tax on undistributed earnings	-35	18	0	-17
Other temporary differences	-211	76	8	-127
<b>Total</b>	<b>-710</b>	<b>49</b>	<b>56</b>	<b>-605</b>

### Reconciliation of deferred tax assets and liabilities 2016

EUR THOUSAND	JAN. 1, 2016	CHARGED TO INCOME STATEMENT	TRANSLATION DIFFERENCES	DEC. 31, 2016
Tax losses carried forward	291	-95	0	196
Restructuring provision	164	-55	8	117
Allocation of fair value on acquisitions	-829	91	-39	-777
Withholding tax on undistributed earnings	-64	29	0	-35
Other temporary differences	-266	70	-15	-211
<b>Total</b>	<b>-704</b>	<b>40</b>	<b>-46</b>	<b>-710</b>

### Carry-forward losses

On December 31, 2017, the Group carried forward losses worth of EUR 6.6 million (EUR 5.6 million on December 31, 2016), for which no deferred tax assets have been recognized. A total of EUR 3.3 million of the Group's losses expire in 2018-2026 and a total of EUR 2.2 million later. The remaining losses expire later or have no definite expiration date.

## 18. TRADE AND OTHER RECEIVABLES

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Trade receivables	10,493	11,591
Other receivables	120	160
Prepayments and accrued income on sales	384	660
Other prepayments and accrued income	422	546
Other receivables from joint ventures	8	0
<b>Total</b>	<b>11,427</b>	<b>12,957</b>

The book values of the receivables are based on a reasonable estimate of their fair values. No significant concentrations of credit risk are associated with the receivables. Other prepayments and accrued income include accrued expenses.

### AGEING ANALYSIS OF TRADE RECEIVABLES

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Not due	6,403	7,480
Overdue		
1-30 days	3,857	3,436
31-60 days	181	459
61-90 days	22	164
Over 90 days	30	52
<b>Total</b>	<b>10,493</b>	<b>11,591</b>

## 19. SHAREHOLDERS' EQUITY

Dovre Group Plc has one class of shares. The book value of the shares is EUR 0.10 per share (EUR 0.10 per share in 2016). Each share entitles the shareholder to one vote. Dovre Group Plc's shares are listed in Nasdaq Helsinki Ltd.

The maximum number of Dovre Group Plc's shares is 160 million shares (160 million in 2016). The shares do not carry a nominal value. The Group's maximum share capital is EUR 41.6 million (EUR 41.6 million in 2016). All shares issued have been fully paid for.

### Reconciliation of the number of shares

EUR THOUSAND	NUMBER OF SHARES	SHARE CAPITAL	RESERVE FOR NON-RESTRICTED EQUITY	FAIR VALUE RESERVE	TREASURY SHARES	TOTAL
<b>Dec. 31, 2015</b>	<b>99,868,769</b>	<b>9,603</b>	<b>12,219</b>	<b>2,869</b>	<b>0</b>	<b>24,691</b>
<b>Dec. 31, 2016</b>	<b>99,868,769</b>	<b>9,603</b>	<b>12,219</b>	<b>2,869</b>	<b>0</b>	<b>24,691</b>
Toteutuneet osakeoptiot	300,000		81			81
Omien osakkeiden hankinta					84	84
<b>Dec. 31, 2017</b>	<b>100,168,769</b>	<b>9,603</b>	<b>12,300</b>	<b>2,869</b>	<b>84</b>	<b>24,856</b>

## Changes in 2017

A total of 300,000 shares were subscribed for under Dovre Group Plc's 2010C option plan in Q1. The subscription period of the plan was March 1, 2014 - February 28, 2017. The increase in the company's shares was entered in the Finnish trade register on March 6, 2017. The subscription price for the 2010C options was EUR 0.27. The increases in the number of shares due to stock options exercised have been recorded in the reserve for non-restricted equity.

On December 4, 2017, the Board of Directors of Dovre Group Plc decided to commence repurchasing the company's own shares on the basis of the authorization given by the Annual General Meeting held on March 30, 2017. The repurchases started on December 5, 2017 and will end on March 28, 2018 at the latest. The Annual General Meeting held on March 30, 2017, authorized the Board of Directors to decide on the repurchase of the Company's own shares on the following conditions: the Board is entitled to decide on repurchase of a maximum of 9,900,000 of the Company's own shares, which shall be

repurchased in deviation from the proportion to the holdings of the shareholders using the non-restricted equity and acquired through trading at the regulated market organized by Nasdaq Helsinki Ltd at the share price prevailing at the time of acquisition. At the end of December 2017 Dovre Group Plc held 312,196 of its own shares.

## Dividend distribution in 2017

Dovre Group Plc's Annual General Meeting held on March 30, 2017, decided that shareholders be paid a dividend of EUR 0.01 per share for the financial year 2016, corresponding to approx. EUR 1.0 million. The dividend was paid on April 12, 2017.

## Dividend distribution in 2016

Dovre Group Plc's Annual General Meeting held on March 17, 2016, decided that shareholders be paid a dividend of EUR 0.01 per share for the financial year 2015, corresponding to approx. EUR 1.0 million. The dividend was paid on March 30, 2016.

## 20. SHARE-BASED COMPENSATION

The Group has one valid option plan that forms part of the Group's remuneration and commitment program of the Group's management and key personnel. The option rights are granted gratuitously. Each stock option entitles the holder to subscribe one share in Dovre Group Plc (DOVIV) at the subscription price and during the subscription period determined in accordance with the terms and conditions of the stock option plan.

### 2013 stock option plan

In its meeting on January 24, 2013, the Board of Directors of Dovre Group Plc approved the 2013 option plan based on the authorization granted by the Annual General Meeting held on March 15, 2012. The plan is divided into three series (2013A, 2013B, and 2013C). Each option series includes a maximum of 1,000,000 stock options.

Should the subscriber's employment in Dovre Group end for some other reason than retirement or death, the company has, by Board decision, the right to redeem at no cost the subscriber's option rights the subscription period of which has not yet started. Should the subscriber's employment in Dovre Group end for some other reason than those mentioned above after the start of the subscription period, the subscriber is entitled and liable to subscribe for the stock options within 30 days after the end of the term of employment. The company's Board reserves the right to grant subscribers the entitlement to stock options held or to a part of them.

2013 STOCK OPTION PLAN	2013A	2013B	2013C
Grant date	Jan. 24, 2013	Jan. 24, 2014	Jan. 22, 2015
Option life in years	5	5	5
Subscription period	March 1, 2015-Feb. 29, 2018	March 1, 2016-Feb. 28, 2019	March 1, 2017-Feb. 28, 2020
Period for determining subscription price	Feb. 1-March 31, 2013	Feb. 1-March 31, 2014	Feb. 1-March 31, 2015
Original subscription price *)	EUR 0.54	EUR 0.60	EUR 0.51
Subscription price on Dec. 31, 2016	EUR 0.39	EUR 0.52	EUR 0.43
Total number of options on grant date	1,000,000	1,000,000	1,000,000
Total number of options outstanding on Dec. 31, 2017	740,000	735,000	875,000

\*) Should the company distribute assets as dividends or as equity return from non-restricted equity, the per-share amounts of dividends and/or equity returns distributed from non-restricted equity shall be deducted from the share subscription price of the stock options, if this distribution is decided after the period for determination of the share subscription price but before the share subscription period has begun and providing that the shares subscribed for do not entitle to such dividends or equity return. The minimum share subscription price shall always be at least EUR 0.01.

CHANGES IN THE NUMBER OF OPTIONS AND THE WEIGHTED AVERAGE EXERCISE PRICE IN 2017	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (EUR / SHARE)
Outstanding at the beginning of the year	3,020,000	0.41
Returned	-100,000	0.39
Toteutuneet optiot	-300,000	0.27
Expired	-270,000	0.27
<b>Outstanding on Dec. 31, 2017</b>	<b>3,250,000</b>	<b>0.45</b>

<b>Exercisable on Dec. 31, 2017</b>	<b>1,475,000</b>	<b>0.45</b>
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CHANGES IN THE NUMBER OF OPTIONS AND THE WEIGHTED AVERAGE EXERCISE PRICE IN 2016	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (EUR / SHARE)
Outstanding at the beginning of the year	3,650,000	0.41
Returned	-235,000	0.46
Expired	-395,000	0.36
<b>Outstanding on Dec. 31, 2016</b>	<b>3,020,000</b>	<b>0.41</b>

<b>Exercisable on Dec. 31, 2016</b>	<b>2,245,000</b>	<b>0.40</b>
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OUTSTANDING OPTIONS ON DEC. 31, 2017; EXERCISE PRICE AND WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	NUMBER OF SHARES	EXERCISE PRICE (EUR / SHARE)	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)
Options 2013A	740,000	0.39	0.2
Options 2013B	735,000	0.52	1.2
Options 2013C	875,000	0.43	2.2
<b>Outstanding on Dec. 31, 2017</b>	<b>2,350,000</b>	<b>0.45</b>	<b>1.3</b>

OUTSTANDING OPTIONS ON DEC. 31, 2016; EXERCISE PRICE AND WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	NUMBER OF SHARES	EXERCISE PRICE (EUR / SHARE)	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)
Options 2010C	570,000	0.27	0.2
Options 2013A	840,000	0.39	1.2
Options 2013B	735,000	0.52	2.2
Options 2013C	875,000	0.44	3.2
<b>Outstanding on Dec. 31, 2016</b>	<b>3,020,000</b>	<b>0.41</b>	<b>1.8</b>

### Fair value of options

Dovre Group calculates the fair value of stock options at grant date using the Black & Scholes model. The fair value is recognized as personnel expense over the vesting period (see Note 6). The key variables used for determining the fair value of the options are presented in the table below.

2013 OPTION PLAN	2013A	2013B	2013C
Share price at grant date	EUR 0.57	EUR 0.48	EUR 0.48
Exercise price	EUR 0.54	EUR 0.60	EUR 0.51
Expected volatility	30%	28%	31%
Expected option life in years (at grant date)	5	5	5
Risk-free rate	0.60%	0.88%	0.15%
Anticipated cuts in personnel %	N/A	N/A	N/A
Fair value of option at grant date	EUR 0.17	EUR 0.09	EUR 0.12
Granted options	1,000,000	1,000,000	1,000,000
Fair value of option plan at grant date (EUR 1,000)	169	91	122

## 21. NON-CURRENT FINANCIAL LIABILITIES

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Non-current loans from financial institutions	1,050	1,650
Accruals and deferred income	0	23
<b>Total</b>	<b>1,050</b>	<b>1,673</b>

The average interest rate for the Group's non-current loans from financial institutions was 0.75% in 2017 (0.75% in 2016).

The fair value of the Group's non-current financial liabilities is based on a reasonable estimate of their book value.

## 22. CURRENT FINANCIAL LIABILITIES

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Current loans from financial institutions	600	1,928
Lines of credit in use	1,377	0
<b>Total</b>	<b>1,977</b>	<b>1,928</b>

The average interest rate for current loans was 0.75% in 2017 (1.16% in 2016). The fair values of the liabilities correspond, in material aspects, to their carrying values. The interest rate for the Group's lines of credit in use in 2017 was 1.39% (Nibor 1m + 1.8% margin in 2016).

## 23. TRADE PAYABLES AND OTHER LIABILITIES

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Trade payables	2,928	4,094
Other current liabilities	2,484	3,201
<b>Total</b>	<b>5,412</b>	<b>7,295</b>

### CURRENT ACCRUALS AND DEFERRED INCOME

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Accrued employee expenses	3,526	3,489
Other current accrued liabilities on income and expenses	800	1,071
<b>Total</b>	<b>4,326</b>	<b>4,560</b>

<b>Trade payables and other liabilities, total</b>	<b>9,739</b>	<b>11,856</b>
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The fair values of the liabilities are equal to their carrying values.

## 25. NON-CURRENT AND CURRENT PROVISIONS

CHANGES IN PROVISIONS, 2017 EUR THOUSAND	JAN 1, 2017	INCREASE	REVERSAL OF PROVISIONS	PROVISIONS USED	TRANSLATION DIFFERENCES	DEC. 31, 2017
Restructuring provision	488	75	-186	-364	-13	0
<b>Total</b>	<b>488</b>	<b>75</b>	<b>-186</b>	<b>-364</b>	<b>-13</b>	<b>0</b>

CHANGES IN PROVISIONS, 2016 EUR THOUSAND	JAN 1, 2016	INCREASE	REVERSAL OF PROVISIONS	PROVISIONS USED	TRANSLATION DIFFERENCES	DEC. 31, 2016
Restructuring provision	697	81	-30	-292	32	488
Other provisions	21		-4	-17	0	0
<b>Total</b>	<b>718</b>	<b>81</b>	<b>-34</b>	<b>-309</b>	<b>32</b>	<b>488</b>

## 25. FINANCIAL INSTRUMENTS AT FAIR VALUE

2017 EUR THOUSAND	LOANS AND RECEIVABLES MEASURED AT THE EFFECTIVE INTEREST RATE METHOD	FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST	BALANCE SHEET ITEMS AT BOOK VALUE	BALANCE SHEET ITEMS AT FAIR VALUE
Non-current financial assets				
Loan receivables from joint ventures	125		125	125
Current financial assets				
Trade receivables	10,493		10,493	10,493
	<b>10,618</b>		<b>10,618</b>	<b>10,618</b>
Non-current financial liabilities				
Interest-bearing liabilities		1,050	1,050	1,050
Current financial liabilities				
Interest-bearing liabilities		1,977	1,977	1,977
Trade payables		2,928	2,928	2,928
		<b>5,955</b>	<b>5,955</b>	<b>5,955</b>

2016 EUR THOUSAND	LOANS AND RECEIVABLES MEASURED AT THE EFFECTIVE INTEREST RATE METHOD	FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST	BALANCE SHEET ITEMS AT BOOK VALUE	BALANCE SHEET ITEMS AT FAIR VALUE
Non-current financial assets				
Loan receivables from joint ventures	95		95	95
Current financial assets				
Trade receivables	11,591		11,591	11,591
	<b>11,686</b>		<b>11,686</b>	<b>11,686</b>
Non-current financial liabilities				
Interest-bearing liabilities		1,650	1,650	1,650
Current financial liabilities				
Interest-bearing liabilities		1,928	1,928	1,928
Trade payables		4,094	4,094	4,094
		<b>7,672</b>	<b>7,672</b>	<b>7,672</b>

## 26. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2017 EUR THOUSAND	JAN 1, 2017	CASHFLOW	TRANSLATION DIFFERENCES	DEC. 31, 2017
Non-current loans and borrowings	1,650	-600	0	1,050
Current loans and borrowings	1,928	173	-124	1,977
<b>Total</b>	<b>3,578</b>	<b>-427</b>	<b>-124</b>	<b>3,027</b>

## 27. FINANCIAL RISK AND CAPITAL STRUCTURE MANAGEMENT

### Financial Risk Management

In its operations, Dovre Group is exposed to common financial risks, most importantly foreign exchange risk. The purpose of financial risk management is to ensure that the Group has access to sufficient and cost-effective funding in all market situations and to monitor and minimize any potential risks. Financial risks are managed centrally by the Group's parent company's finance function, which is responsible for the Group's financing. Financial risk management is part of the Group's operational management.

### Foreign exchange risks

The Group operates internationally and is thus exposed to a variety of foreign exchange risks. Such risks arise from exchange rate fluctuations relating to foreign currency denominated assets, liabilities, and planned business transactions (transaction risk) and from investments in foreign subsidiaries and associates (translation risk). The Group manages its foreign exchange risks in accordance with the Group's currency hedging policy, approved by the Board of Directors in 2014. The purpose of the policy is to minimize the company's subsidiaries' foreign exchange risks and to centrally hedge the Group's foreign exchange risks at the parent company, when necessary. The company does not automatically hedge its for-

eign currency positions. However, should it be deemed necessary for risk management and be in the best interest of the company's shareholders, the company's Board of Directors may pursue prudent and selective hedging. Operatively, the company seeks to avoid any unnecessary increase in foreign exchange risks and any unnecessary currency transactions.

Foreign exchange risk management is a regular part of the Boards' charter.

### Transaction risks

Majority of the Group's operations is local service business and is denominated in local functional currencies. It does not therefore involve transaction risks. The Group's internal invoicing and loans are primarily initiated in the local currencies of the subsidiaries and any possible foreign exchange risks are hedged using foreign currency derivatives at the parent company.

The foreign exchange risk sensitivity analysis for the most important currency pairs, disclosed in accordance with IFRS 7, has been calculated for the Group's foreign currency nominated financial assets and liabilities including foreign currency derivatives outstanding on the balance sheet date. The exposures in the most important currency pairs are disclosed in the table below.

EXPOSURE AGAINST EUR EUR MILLION	NOK	CAD	USD	SGD	GBP	AED	TOTAL
Exposure Dec. 31, 2017	0.0	0.0	0.4	0.0	0.0	0.0	0.5
Exposure Dec. 31, 2016	0.0	0.0	0.5	0.1	0.0	0.1	0.7

EXPOSURE AGAINST NOK EUR MILLION	NOK	CAD	USD	SGD	GBP	TOTAL
Exposure Dec. 31, 2017		0.0	0.0	0.1	0.0	0.2
Exposure Dec. 31, 2016		0.1	0.0	0.2	0.0	0.3

EXPOSURE AGAINST SGD EUR MILLION	NOK	CAD	USD	SGD	GBP	EUR	TOTAL
Exposure Dec. 31, 2017	0.1		-0.2			0.1	0.0
Exposure Dec. 31, 2016	0.6		0.2			0.0	0.7

EXPOSURE AGAINST USD EUR MILLION	NOK	CAD	USD	SGD	GBP	EUR	TOTAL
Exposure Dec. 31, 2017					0.0	0.0	0.0
Exposure Dec. 31, 2016					0.1	0.0	0.1

EXPOSURE AGAINST CAD EUR MILLION	NOK	CAD	USD	SGD	GBP	TOTAL
Exposure Dec. 31, 2017			0.2			0.2
Exposure Dec. 31, 2016			0.1			0.1

The foreign exchange risk sensitivity analysis illustrates the impact of a 20% movement in exchange rates and has been calculated before taxes. An estimated 20% movement in the foreign exchange rates on the balance sheet date would have resulted in an impact of EUR 0.2 (4.0) million on the Group's result before taxes with the exchange rates strengthening and EUR -0.2 (-4.0) million with the exchange rates weakening.

### Translation risk

Changes in consolidation exchange rates affect the Group's income statement, cash flow statement, and the statement of financial position, which are presented in euros, thus giving rise to translation risk. As the majority of the Group's net sales occur in functional currencies other than the euro, the translation risk related to the Group's net sales and operating result is material to the Group. In 2017, the Group's comparable net sales changed by -25.2 (-27.7) % in euros. In local currencies the change in net sales would have been -24.8 (-25.7) %.

The impact of a 10% movement in average annual exchange rates of the Group's main currencies on the Group's net sales is presented in the table below.

EUR MILLION	CHANGE IN EXCHANGE RATE	IMPACT ON NET SALES DENOMINATED IN NOK	IMPACT ON NET SALES DENOMINATED IN CAD	IMPACT ON NET SALES DENOMINATED IN USD	IMPACT ON NET SALES DENOMINATED IN SGD
2017	10%	-3.5	-1.0	-0.4	-0.5
	-10%	4.3	1.2	0.5	0.7
2016	10%	-4.3	-1.2	-0.9	-1.1
	-10%	5.3	1.5	1.1	1.3

In 2017, the translation differences arising from the translation of the Group's subsidiaries' balance sheets into euros was EUR -1.6 (1.1) million. The translation difference was caused by the weakening of all the Group's main currencies, i.e. Norwegian crown, the Canadian dollar, the Singaporean dollar, and the United States dollar, against the euro. In 2016 the translation difference was mainly caused by the strengthening of the Canadian dollar and the Norwegian crown against the euro. The translation risk was not hedged during the financial year.

### Interest rate risk

The Group's interest rate risk relates to the Group's non-current loans, totaling EUR 1.1 (1.7) million on December 31, 2017. The Group does not hedge the interest rate risk.

### Liquidity risk

The purpose of liquidity risk management is to ensure that the Group has access to sufficient liquid assets and credit facilities in order to guarantee sufficient funding of the Group's business operations. The Group's liquidity is controlled through cash and liquidity management. The Group's liquidity remained strong in 2017.

On December 31, 2017, the Group's cash and cash equivalents were EUR 5.2 (8.3) million. In addition, the parent company and subsidiaries have unused credit limits.

EUR MILLION	2017	2016
Cash and cash equivalents	5.2	8.3
Credit facilities	3.8	3.8
Lines of credit in use	-1.4	0.0
<b>Total</b>	<b>7.6</b>	<b>12.1</b>



## Customer credit risk

A substantive part of the Group's receivables are from a small number of customers. However, the Group does not consider there to be any significant concentrations of customer credit risk because these customers are large and financially solid companies. Customers' credit-worthiness is secured through credit checks. Trade receivables are monitored centrally by Group functions. The Group does not provide customer financing.

Ageing structure of the Group's receivables and impairment losses recognized during the financial year are presented in Note 18 Trade and Other Receivables.

## Capital Structure Management

The purpose of the Group's capital structure management is to ensure the Group's liquidity in all market situations, to secure funding for the Group's strategic investments, and to maintain the Group's shareholder value. Capital structure management comprises the management of the Group's solidity and liquidity. The Group's capital structure is monitored by using the debt to equity ratio (gearing). The debt-equity ratio is calculated by dividing total net liabilities by total assets. Net liabilities include interest-bearing liabilities less cash and cash equivalents.

EUR MILLION	2017	2016
Interest-bearing liabilities	3.0	3.6
Cash and cash equivalents	5.2	8.3
<b>Net debt</b>	<b>-2.1</b>	<b>-4.7</b>
Shareholders' equity	22.6	25.8
<b>Gearing</b>	<b>-9.4%</b>	<b>-18.3%</b>

## 28. OTHER RENTAL AGREEMENTS

### Group as Lessee

#### FUTURE MINIMUM LEASE PAYMENTS FOR NON-CANCELLABLE OPERATING LEASES

EUR THOUSAND	2017	2016
Not later than one year	475	588
Later than one year and not later than five years	1,069	567
<b>Total</b>	<b>1,544</b>	<b>1,155</b>

The Group leases business premises and cars under various non-cancellable leases. The leases have varying lengths, index clauses, and renewal and other terms.

In 2017, EUR 531 thousand in lease payments for business premises were recognized as expense in profit or loss (EUR 716 thousand in 2016) and EUR 30 thousand for cars (EUR 47 thousand in 2016). In 2017, the Group's leases for business premises included approx. EUR -62 thousand from release of the provision for business premises in Norway.

### Group as Lessor

#### FUTURE MINIMUM INCOME ON NON-CANCELLABLE OTHER LEASES

EUR THOUSAND	2017	2016
Not later than one year	1	11
<b>Total</b>	<b>1</b>	<b>11</b>

## 29. COMMITMENTS AND CONTINGENT LIABILITIES

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Collateral for own commitments		
Trade receivables pledged as collateral	4,065	4,402
Floating charges	3,000	3,000
Pledged charges, book value in the Group	826	843

### Disputes and court proceedings

The Group has no pending disputes or court proceedings.

## 30. SUBSIDIARIES

COMPANY	DOMICILE	COUNTRY	SHARE-HOLDING %, PARENT	SHARE-HOLDING %, GROUP
Dovre Asia Pte Ltd.	Singapore	Singapore	100,00	100,00
Dovre Australia Pty Ltd.	Sydney	Australia	100,00	100,00
Dovre Canada Ltd.	St. John's	Canada	100,00	100,00
Dovre Club Oy	Helsinki	Finland	100,00	100,00
Dovre Group Consulting AS	Stavanger	Norway	100,00	100,00
Dovre Group Inc.	Houston	USA	100,00	100,00
Dovre Group LLC	Južno-Sahalinsk	Russia	100,00	100,00
Dovre Group Projects AS	Stavanger	Norway	100,00	100,00
Dovre Group (UK) Limited	London	UK	100,00	100,00
Dovre Group (Singapore) Pte Ltd.	Singapore	Singapore	0,00	100,00
Project Completion Management Ltd.	Hampshire	UK	100,00	100,00

Project Completion Management Inc. in USA was liquidated in 2017. Project Completion Management Ltd and Dovre Group (UK) Limited are in a liquidation process at the turn of the year 2017.

## 31. RELATED PARTY TRANSACTIONS

### Transactions with related parties

A related party is an entity, in which a member of the management of the Group or of its parent company holds either direct or indirect control, holds control together with another party, or has significant influence.

Transactions with joint ventures are presented in Note 15 Investments in Joint Ventures. Dovre Group did not have any material transactions with any other related parties in 2017 or 2016. There were no loans given to management in the Group balance sheet on December 31, 2017 or December 31, 2016.

### Management remuneration and compensation

#### Key management remuneration and compensation

Key management remuneration and compensation Information includes total remuneration paid to the members of the Board and the members of the Group Executive Team.

EUR THOUSAND	2017	2016
Salaries and other short-term employee benefits *)	-1,323	-1,414
Severance pay in connection with termination of employment	-98	0
Share-based compensation	-6	-39
<b>Total</b>	<b>-1,427</b>	<b>-1,453</b>

\*) Comparatives for 2016 updated.

In 2017, the CEO's share-based compensation totaled EUR 3 thousand (EUR 20 thousand in 2016).

### Remuneration paid to the CEO and the members of the Board

Information includes the total remuneration, compensation, and fringe benefits paid to the CEO and the acting CEO of the parent company and the members of the Board of Directors of Dovre Group Plc.

BOARD MEMBERS AND CEO	2017	2016
<b>Board members on Dec. 31, 2017:</b>		
Rainer Häggblom - Chairman of the Board	-35	-35
Ole Olsen- Vice Chairman of the Board as of March 30, 2017	-19	0
Louis Harrewijn - Vice Chairman of the Board until March 30, 2017	-23	-19
Ilari Koskelo - Board member	-22	-22
<b>Former Board members:</b>		
Christian Bull Eriksson - Board member until March 30, 2017	-5	-17
Arja Koski - Board member until March 17, 2016	0	-6
Tero Viherto - Vice Chairman of the Board until March 17, 2016	0	-6
<b>CEO:</b>		
Patrick von Essen	-227	-202
<b>Total</b>	<b>-331</b>	<b>-306</b>

In 2017 and 2016, 40% of total gross compensation paid to Board members has been paid in the company's shares purchased in public trading.

### Management stock options

Information includes stock options granted to the Board member and members of the Group Executive Team.

	2017	2016
Number of options granted (1,000)	1,660	1,880
Of which exercisable (1,000)	1,660	1,280
Fair value of options, total (EUR million)	199	237
Total number of shares that can be subscribed for with stock options granted to management (1,000)	1,660	1,880

**KEY FIGURES AND  
FINANCIAL DEVELOPMENT  
2013-2017**



# 3. KEY FIGURES AND FINANCIAL DEVELOPMENT 2013-2017

## KEY FINANCIAL INDICATORS

EUR THOUSAND	IFRS 2017	IFRS 2016	IFRS 2015	IFRS 2014	IFRS 2013
Net sales, Group	62,681	83,810	115,947	98,889	100,788
Change, %	-25.2%	-27.7%	17.2%	-1.9%	1.9%
Net sales, continuing operations	62,681	83,810	115,947	98,889	98,544
Change, %	-25.2%	-27.7%	17.2%	0.4%	4.8%
Net sales, discontinued operations	N/A	N/A	N/A	N/A	2,244
Operating result, Group	52	4	-858	1,173	2,759
% of net sales	0.1%	0.0%	-0.7%	1.2%	2.7%
Operating result, continuing operations	52	4	-858	1,173	2,407
% of net sales	0.1%	0.0%	-0.7%	1.2%	2.4%
Operating result, discontinued operations	N/A	N/A	N/A	N/A	352
Result before tax, Group	-398	-1,545	-1,841	885	2,393
% of net sales	-0.6%	-1.8%	-1.6%	0.9%	2.4%
Result before tax, continuing operations	-398	-1,545	-1,841	885	2,039
% of net sales	-0.6%	-1.8%	-1.6%	0.9%	2.1%
Result for the period	-547	-1,669	-2,012	268	5,563
% of net sales	-0.9%	-2.0%	-1.7%	0.3%	5.5%
Return on equity, %	-2.3%	-6.3%	-8.2%	1.1%	23.0%
Return on investment, % 1)	-1.1%	-4.2%	-6.1%	3.9%	10.2%
Equity-ratio, %	62.2%	60.3%	52.5%	60.4%	62.3%
Gearing, % 2)	-9.4%	-18.3%	-19.1%	-42.2%	-50.0%
Balance sheet total	36,389	42,794	52,040	35,545	40,718
Gross capital expenditure	249	322	2,096	346	395
% of net sales (Group)	0.4%	0.4%	1.8%	0.3%	0.4%
Research and development 3)	135	106	117	135	197
% of net sales (continuing operations)	0.2%	0.1%	0.1%	0.1%	0.2%
Average number of personnel, Group	468	543	649	481	481
Personnel at end of period, Group	476	462	714	486	468
Average number of personnel, continuing operations	468	543	649	481	469
Personnel at end of period, continuing operations	476	462	714	486	468

1) In 2013, return on investment calculated for continuing operations

2) Comparatives for 2013 do not include discontinued operations

## KEY FIGURES BY SHARE

EUR	IFRS 2017	IFRS 2016	IFRS 2015	IFRS 2014	IFRS 2013
Undiluted earnings per share (EUR), Group	-0.005	-0.017	-0.024	0.004	0.088
Diluted earnings per share (EUR), Group	-0.005	-0.017	-0.024	0.004	0.088
Undiluted earnings per share (EUR), continuing operations	-0.005	-0.017	-0.024	0.004	0.019
Diluted earnings per share (EUR), continuing operations	-0.005	-0.017	-0.024	0.004	0.019
Undiluted equity per share (EUR)	0.23	0.26	0.32	0.34	0.40
Dividends EUR (1,000) *)	995	1,002	999	5,073	4,409
Dividend per share, EUR	0.01	0.01	0.01	0.08	0.07
Dividend per earnings, %	-200.0%	-60.0%	-42.1%	1,882.9%	79.3%
Effective dividend yield, %	3.7%	3.5%	2.9%	22.3%	14.6%
P/E ratio (EUR)	-54.60	-17.35	-14.31	84.53	5.43
Highest share price (EUR)	0.33	0.36	0.57	0.69	0.59
Lowest share price (EUR)	0.22	0.26	0.33	0.33	0.38
Average share price (EUR)	0.28	0.30	0.47	0.53	0.48
Market capitalization (EUR million)	27.3	29.0	34.0	22.8	30.2
Value of traded shares (EUR million)	6.3	3.9	8.2	10.1	7.7
Shares traded, %	22.5%	13.0%	20.6%	30.2%	25.5%
Average number of shares:					
Undiluted (1,000)	100,119	99,869	84,655	63,020	62,911
Diluted (1,000)	100,130	99,933	84,979	63,459	63,225
Number of shares at end of period (1,000)	100,169	99,869	99,869	63,266	62,916

\*) Dividend for 2017 in accordance with the Board of Directors' proposal. The dividend amount is adjusted by the amount of own shares that Dovre Group holds on February 20, 2018. The final dividend amount will be known after the Annual General Meeting.

## CALCULATION OF KEY INDICATORS

<b>Return on shareholders' equity (ROE), % *)</b>	$\frac{\text{Result for the period}}{\text{Shareholders' equity (average)}}$	x 100
<b>Return on investment (ROI), % *)</b>	$\frac{\text{Result before taxes + interest and other financial expenses}}{\text{Balance sheet total (average) - interest free liabilities (average)}}$	x 100
<b>Equity-ratio, %</b>	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total - advances received}}$	x 100
<b>Gearing, %</b>	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Shareholders' equity}}$	x 100
<b>Earnings per share, EUR</b>	$\frac{\text{Result for the period}}{\text{Adjusted number of shares (average)}}$	
<b>Equity per share, EUR</b>	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at end of period}}$	
<b>Dividend per share, EUR</b>	$\frac{\text{Dividend payable for the financial year}}{\text{Adjusted number of shares at end of period}}$	
<b>Dividend per earnings, %</b>	$\frac{\text{Adjusted dividend per share}}{\text{Earnings per share}}$	x 100
<b>Effective dividend yield, %</b>	$\frac{\text{Adjusted dividend per share}}{\text{Adjusted share price at end of period}}$	x 100
<b>Price-earnings ratio (P/E), EUR</b>	$\frac{\text{Adjusted share price at end of period}}{\text{Earnings per share}}$	

\*) Divisor calculated as the average of shareholders' equity in the balance sheet at the end of the current and the directly preceding financial year.

**FINANCIAL STATEMENTS  
OF THE PARENT COMPANY,  
FAS**





# 4. FINANCIAL STATEMENTS OF THE PARENT COMPANY, FAS

## INCOME STATEMENT OF THE PARENT COMPANY, FAS

EUR THOUSAND	NOTE	JAN. 1-DEC. 31, 2017	JAN. 1-DEC. 31, 2016
<b>NET SALES</b>	2	<b>5,709</b>	<b>4,799</b>
Other operating income	3	49	66
Material and services	4	-893	-914
Employee benefits expense	5	-3,663	-2,783
Depreciation and amortization	6	-87	-97
Other operating expenses		-1,305	-1,384
<b>OPERATING RESULT</b>		<b>-191</b>	<b>-314</b>
Financing income and expenses	8	519	703
<b>RESULT BEFORE TAXES</b>		<b>328</b>	<b>390</b>
Tax		-44	-105
<b>RESULT FOR THE PERIOD</b>		<b>284</b>	<b>285</b>

## BALANCE SHEET OF THE PARENT COMPANY, FAS

EUR THOUSAND	NOTE	DEC. 31, 2017	DEC. 31, 2016
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	9	178	151
Tangible assets	10	22	19
Investments			
Investments in subsidiaries	11	27,822	27,070
Investments in associates	11	1,946	1,949
<b>NON-CURRENT ASSETS</b>		<b>29,968</b>	<b>29,189</b>
<b>CURRENT ASSETS</b>			
Non-current assets			
Loan receivables	12	4,565	5,944
Deferred tax assets	12	183	183
Current assets	13	1,046	1,548
Cash and cash equivalents		172	180
<b>CURRENT ASSETS</b>		<b>5,966</b>	<b>7,854</b>
<b>TOTAL ASSETS</b>		<b>35,934</b>	<b>37,044</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14	9,603	9,603
Reserve for invested non-restricted equity	14	12,300	12,219
Retained earnings	14	10,849	11,649
Result for the period	14	284	285
<b>SHAREHOLDERS' EQUITY</b>		<b>33,035</b>	<b>33,756</b>
<b>LIABILITIES</b>			
Non-current liabilities	15	1,050	1,673
Current liabilities	16	1,848	1,615
<b>LIABILITIES</b>		<b>2,898</b>	<b>3,288</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,934</b>	<b>37,044</b>

## CASH FLOW STATEMENT OF THE PARENT COMPANY, FAS

EUR THOUSAND	JAN. 1-DEC.31, 2017	JAN. 1-DEC 31, 2016
<b>Cash flow from operating activities</b>		
Operating profit (+) / loss (-)	-191	-314
Depreciation and amortization	87	97
Changes in working capital	319	-81
Interest received	122	6
Interest paid	-17	-21
Other financial items	-43	-9
Income taxes paid	-27	-37
<b>Net cash generated by operating activities</b>	<b>250</b>	<b>-359</b>
<b>Cash flow from investing activities</b>		
Investments in tangible and intangible assets	-158	-46
Proceeds from disposal of investments in Group companies *)	0	402
Purchase of shares in associates	3	-124
Dividends received from investments *)	895	1,263
Increase (-) / decrease (+) in loan receivables	286	125
<b>Net cash generated by investing activities</b>	<b>1,026</b>	<b>1,620</b>
<b>Cash flow from financing activities</b>		
Stock options exercised	81	0
Repurchases of own shares	-68	0
Repayments of non-current loans	-600	-600
Proceeds from short-term loans	339	0
Dividends paid	-1,002	-999
<b>Net cash generated by financing activities</b>	<b>-1,250</b>	<b>-1,599</b>
Translation differences	-34	-16
<b>Change in cash and cash equivalents</b>	<b>-8</b>	<b>-354</b>
Cash and cash equivalents at the beginning of the period	180	534
<b>Cash and cash equivalents at the end of the period</b>	<b>172</b>	<b>180</b>

\*) In 2016, a total of EUR 265 thousand of proceeds from the disposal of investment was prepayment for the liquidation of a company to be completed in 2018. In 2017, a total of EUR 245 thousand of dividend was recorded of the company's liquidation in question.

# NOTES TO DOVRE GROUP PLC'S FINANCIAL STATEMENTS, FAS

## 1. ACCOUNTING PRINCIPLES

The financial statements of the parent company Dovre Group Plc have been prepared in accordance with Finnish accounting and corporate legislation.

### Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. At the end of the financial period, foreign currency nominated assets and liabilities are translated at the rate of exchange prevailing at the end of the reporting period. Foreign exchange gains and losses are presented under financing income and expense in the income statement.

### Revenue recognition

Revenue from services is recognized upon delivery to the client. All service related travel and other expenses that have been invoiced from the client are included in revenue from services. Revenue from licenses is recognized upon the granting of user rights when all the main risks and rewards of license ownership have been transferred to the buyer. Revenue from maintenance is allocated to the contract period. Net sales includes royalty fee charged from Group companies for intangible marketing property and for using the Dovre Group trademark. Royalties are recognized on an accrual basis and in accordance with the respective licensing agreement.

### Pensions

The parent company's pension schemes are funded through payments to an insurance company. Statutory pension expenses are recognized as expense in the year they are incurred.

### Fixed assets

Fixed assets are stated at acquisition cost less accumulated depreciation and amortization. Depreciation and amortization are recorded

on a straight-line basis over the expected economic useful lives of the assets as follows:

Intangible assets (software)	2-3 years
Intangible assets (trademarks)	5 years
Merger assets	5 years
Other capitalized expenditure	3-5 years
Machinery and equipment	3-5 years

Dovre Group Plc has capitalized development work to create a construction cost control tool for building and construction entities. Dovre Group will start amortization when the software is ready that is estimated to be at the beginning of 2018. The capitalized development costs will be amortized over 3 years.

### Derivative instruments

The company hedges, when appropriate, receivables and liabilities denominated in foreign currency with different currency forward and option contracts. Derivatives are recognized in the balance sheet under other receivables or payables at fair value on the date of trade. Outstanding derivatives are remeasured at their fair value at the end of each reporting period and the resulting gain or loss is immediately recognized in profit or loss under financial items. In determining the fair value of a derivative, the appropriate quoted market price is used, if available. Alternatively, fair value is determined using commonly used valuation methods. The company had no outstanding derivative contracts at the end of 2017.

### Taxes

Income tax is recognized in accordance with Finnish tax legislation. Taxes withheld in foreign jurisdictions are recognized as cost in the income statement if they cannot be utilized in taxation. Deferred tax assets are recognized with utmost prudence.

## 2. NET SALES

### NET SALES BY BUSINESS ACTIVITY

EUR THOUSAND	2017	2016
Consulting	1,314	1,239
Project personnel	3,181	1,946
Other functions	1,214	1,614
<b>Total</b>	<b>5,709</b>	<b>4,799</b>

### GEOGRAPHICAL DISTRIBUTION

EUR THOUSAND	2017	2016
Finland	1,732	1,615
Canada	378	473
Norway	897	873
The Netherlands	2,144	1,139
Other countries	558	698
<b>Total</b>	<b>5,709</b>	<b>4,799</b>

### 3. OTHER OPERATING INCOME

EUR THOUSAND	2017	2016
Rents	46	66
Other income	3	0
<b>Total</b>	<b>49</b>	<b>66</b>

### 4. MATERIAL AND SERVICES

EUR THOUSAND	2017	2016
License fees	-63	-81
External services	-830	-833
<b>Total</b>	<b>-893</b>	<b>-914</b>

### 5. EMPLOYEE BENEFITS EXPENSE

EUR THOUSAND	2017	2016
Salaries and fees	-3,273	-2,466
Pension expenses	-313	-262
Other employee benefits	-77	-55
<b>Total</b>	<b>-3,663</b>	<b>-2,783</b>

#### Management remuneration

EUR	2017	2016
CEO	-225,654	-202,194
Members of the Board of Directors	-104,000	-104,000
<b>Total</b>	<b>-329,654</b>	<b>-306,194</b>

#### Pension liabilities for the members of the Board and the CEO

The contracts do not contain any special provisions concerning retirement age or pension. In 2017, a total of EUR 42,645 of the CEO's statutory pension expenses was charged to the income statement (EUR 37,936 in 2016).

NUMBER OF EMPLOYEES	2017	2016
Average	34	27
At the end of the financial year	35	31

### 6. DEPRECIATION AND AMORTIZATION

EUR THOUSAND	2017	2016
Amortization according to plan, intangible assets	-71	-85
Depreciation according to plan, tangible assets	-16	-12
<b>Total</b>	<b>-87</b>	<b>-97</b>

## 7. AUDITOR FEES

EUR THOUSAND	2017	2016
External audit	-83	-99
Other services referred to in the Finnish Auditing Act	-1	-4
Tax consultancy	0	-5
<b>Total</b>	<b>-84</b>	<b>-108</b>

## 8. FINANCING INCOME AND EXPENSES

DIVIDEND INCOME EUR THOUSAND	2017	2016
Dividend income from Group companies	1,157	1,406
<b>Total</b>	<b>1,157</b>	<b>1,406</b>

OTHER INTEREST AND FINANCING INCOME EUR THOUSAND	2017	2016
Interest income from Group companies	61	66
Interest income from associates	8	0
Other financing income from others	1	15
<b>Total</b>	<b>70</b>	<b>81</b>

IMPAIRMENT LOSSES EUR THOUSAND	2017	2016
Impairment, investments in Group companies	-568	-56
Reversal of impairment, investments in Group companies	0	63
Impairment, investments in associates	0	-756
<b>Total</b>	<b>-568</b>	<b>-750</b>

INTEREST AND FINANCING EXPENSES EUR THOUSAND	2017	2016
Interest expenses to Group companies	0	-1
Interest expenses, interest-bearing liabilities	-17	-21
Other interest and financing expenses	-123	-13
<b>Total</b>	<b>-140</b>	<b>-34</b>

<b>Financing income and expenses, total</b>	<b>519</b>	<b>703</b>
Foreign exchange gains included in financing income	1	15
Foreign exchange losses included in financing income	-119	-8

## 9. INTANGIBLE ASSETS

### CAPITALIZED DEVELOPMENT COSTS EUR THOUSAND

	2017	2016
Acquisition cost, Jan. 1	0	
Additions	98	
<b>Acquisition cost, Dec. 31</b>	<b>98</b>	
<b>Book value, Dec. 31</b>	<b>98</b>	

Dovre Group Plc has capitalized development work to create a construction cost control tool for building and construction entities. Dovre Group will start amortization when the software is ready that is estimated to be at the beginning of 2018 . The capitalized development costs will be amortized over 3 years.

### INTANGIBLE RIGHTS AND OTHER CAPITALIZED EXPENDITURE EUR THOUSAND

	2017	2016
Acquisition cost, Jan. 1	229	101
Additions	0	128
Acquisition cost, Dec. 31	229	229
Accumulated amortization and value adjustments, Jan. 1	-105	-99
Amortization charges for the year	-44	-5
Accumulated amortization and value adjustments, Dec. 31	-149	-105
<b>Book value, Dec. 31</b>	<b>80</b>	<b>124</b>

### MERGER ASSETS EUR THOUSAND

	2017	2016
Acquisition cost, Jan. 1	401	401
Disposals	-401	0
Acquisition cost, Dec. 31	0	401
Accumulated amortization and value adjustments, Jan. 1	-374	-294
Accumulated amortization from disposals	401	0
Amortization charges for the year	-27	-80
Accumulated amortization and value adjustments, Dec. 31	0	-374
<b>Book value, Dec. 31</b>	<b>0</b>	<b>27</b>

## 10. TANGIBLE ASSETS

MACHINERY AND EQUIPMENT EUR THOUSAND	2017	2016
Acquisition cost, Jan. 1	102	134
Additions	19	7
Disposals	-2	-39
Acquisition cost, Dec. 31	119	102
Accumulated depreciation and value adjustments, Jan. 1	-83	-109
Accumulated depreciation from disposals	2	39
Depreciation charges for the year	-16	-12
Accumulated depreciation and value adjustments, Dec. 31	-97	-83
<b>Book value, Dec. 31</b>	<b>22</b>	<b>19</b>

## 11. INVESTMENTS

INVESTMENTS IN GROUP COMPANIES EUR THOUSAND	2017	2016
Acquisition cost, Jan. 1	27,380	28,553
Additions	1,320	38
Disposals	0	-1,210
Acquisition cost, Dec. 31	28,700	27,380
Accumulated value adjustments, Jan. 1	-310	-1,390
Impairment on disposals	0	1,073
Impairment	-568	-56
Reversal of impairment	0	63
Accumulated impairment and value adjustments, Dec. 31	-878	-310
<b>Book value, Dec. 31</b>	<b>27,822</b>	<b>27,070</b>

RECEIVABLES FROM GROUP COMPANIES EUR THOUSAND	2017	2016
Acquisition cost, Jan. 1		92
Additions		-77
Translation differences		-15
Acquisition cost, Dec. 31		0
<b>Book value, Dec. 31</b>		<b>0</b>



INVESTMENTS IN ASSOCIATES EUR THOUSAND	2017	2016
Acquisition cost, Jan. 1	4,295	4,171
Additions	-3	124
Acquisition cost, Dec. 31	4,292	4,295
Accumulated impairment and value adjustments, Jan. 1	-2,346	-1,590
Impairment	0	-756
Accumulated impairment and value adjustments, Dec. 31	-2,346	-2,346
<b>Book value, Dec. 31</b>	<b>1,946</b>	<b>1,949</b>

INVESTMENTS IN SUBSIDIARIES ON DEC. 31, 2017	DOMICILE	COUNTRY	PARENT COMPANY OWNERSHIP %
Dovre Asia Pte Ltd.	Singapore	Singapore	100.00
Dovre Australia Pty Ltd.	Sydney	Australia	100.00
Dovre Canada Ltd.	St. John's	Canada	100.00
Dovre Club Oy	Helsinki	Finland	100.00
Dovre Group Consulting AS	Stavanger	Norway	100.00
Dovre Group Inc.	Houston	USA	100.00
Dovre Group LLC	Južno-Sahalinsk	Russia	100.00
Dovre Group Projects AS	Stavanger	Norway	100.00
Dovre Group (UK) Ltd	London	UK	100.00
Project Completion Management Ltd.	Hampshire	UK	100.00

INVESTMENTS IN ASSOCIATES ON DEC. 31, 2017	DOMICILE	COUNTRY	PARENT COMPANY OWNERSHIP %
Kiinteistö Oy Kuukoti	Espoo	Finland	43.12
SaraRasa Bioindo Pte Ltd.	Singapore	Singapore	29.00

## 12. NON-CURRENT RECEIVABLES

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Loan receivables		
Non-current loan receivables from Group companies	4,440	5,849
Non-current loan receivables from associates	125	95
<b>Total</b>	<b>4,565</b>	<b>5,944</b>
Deferred tax assets	183	183
<b>Non-current receivables, total</b>	<b>4,748</b>	<b>6,127</b>

In 2017, the company had a total of EUR 0.6 million (EUR 0.6 million in 2016) unrecognized deferred tax assets for previous years' losses. In 2015, the company used a portion of the losses as well as recognized a deferred tax asset totaling EUR 183 thousand in the 2015 financial statements. The company expects its result to be positive in future periods primarily based on increases in royalty income, growth in the Project Personnel business area, and the capital gain on the sale of KOy Kuukoti shares.

### 13. CURRENT RECEIVABLES

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
<b>Current receivables from Group companies</b>		
Trade receivables	123	235
Loan receivables	140	397
Deferred assets, interest receivable	5	60
	<b>268</b>	<b>693</b>
<b>Current receivables from joint ventures</b>		
Deferred assets, interest receivable	8	0
	<b>8</b>	<b>0</b>
<b>Current receivables from others</b>		
Trade receivables	614	701
Other receivables	24	26
Deferred assets	132	128
	<b>770</b>	<b>855</b>
<b>Current receivables, total</b>	<b>1,046</b>	<b>1,548</b>

#### DEFERRED ASSETS FROM OTHERS

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Sales accruals	58	22
Accrued expenses	74	106
<b>Total</b>	<b>132</b>	<b>128</b>

### 14. SHAREHOLDERS' EQUITY

#### Restricted equity

##### SHARE CAPITAL

EUR THOUSAND	2017	2016
Share capital, Jan. 1	9,603	9,603
Share capital, Dec. 31	9,603	9,603

#### Non-restricted equity

##### RESERVE FOR INVESTED NON-RESTRICTED EQUITY

EUR THOUSAND	2017	2016
Reserve for invested non-restricted equity, Jan. 1	12,219	12,219
Exercised stock options	81	0
Reserve for invested non-restricted equity, Dec. 31	12,300	12,219

RETAINED EARNINGS EUR THOUSAND	2017	2016
Retained earnings, Jan. 1	11,933	12,647
Repurchase of own shares	-84	0
Dividend distribution	-1,002	-999
Result for the period	284	285
Retained earnings, Dec. 31	11,132	11,933

CALCULATION OF DISTRIBUTABLE EARNINGS EUR THOUSAND	2017	2016
Retained earnings	10,847	11,649
Reserve for invested non-restricted equity	12,300	12,219
Capitalized development costs	-98	0
Result for the period	284	285
<b>Total</b>	<b>23,334</b>	<b>24,152</b>

## 15. NON-CURRENT LIABILITIES

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Non-current loans from financial institutions	1,050	1,650
Accruals and deferred income	0	23
<b>Total</b>	<b>1,050</b>	<b>1,673</b>

## 16. CURRENT LIABILITIES

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
<b>Current liabilities to Group companies</b>		
Trade payables	49	140
Other liabilities	5	268
Accruals and deferred income	1	1
	<b>55</b>	<b>409</b>
<b>Liabilities to others</b>		
Current loans from banks	600	600
Current overdraft facility from banks	339	0
Trade payables	206	152
Other liabilities	72	89
Accruals and deferred income	576	366
	<b>1,793</b>	<b>1,206</b>
<b>Current liabilities, total</b>	<b>1,848</b>	<b>1,615</b>

ACCRUALS AND DEFERRED INCOME EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
Accrued employee expenses	423	253
Deferred income	69	19
Other accrued expenses	84	94
<b>Total</b>	<b>576</b>	<b>366</b>

## 17. COMMITMENTS AND CONTINGENT LIABILITIES

### Collateral

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
<b>Collateral for own commitments</b>		
Chattel mortgages and other pledges given as collateral for liabilities and commitments		
Loans from financial institutions	1,650	2,250
Floating charges	3,000	3,000
<b>Collateral for own commitments, other</b>		
Pledged shares	921	921
<b>Guarantees given for others</b>		
Loan guarantee (overdraft)	2,187	2,408
Other guarantees	1,016	1,651
<b>Total</b>	<b>3,203</b>	<b>4,058</b>

### Contingent liabilities and other commitments

EUR THOUSAND	DEC. 31, 2017	DEC. 31, 2016
<b>Lines of credit</b>		
Lines of credit granted, total	580	580

### Pension liabilities

The company's pension liabilities have been insured with an outside pension insurance company.

### Future minimum lease payments for non-cancellable operating leases

EUR THOUSAND	2017	2016
Not later than one year	5	21
<b>Total</b>	<b>5</b>	<b>21</b>

### Disputes and court proceedings

The Group has no pending disputes or court proceedings..

**SHARES AND  
SHAREHOLDERS**



# 5. SHARES AND SHAREHOLDERS

## SHARES AND SHARE CAPITAL

Dovre Group Plc has one class of shares. Each share entitles the shareholder to one vote. Dovre Group Plc's shares are listed in Nasdaq Helsinki Ltd.

On January 1, 2017 and December 31, 2017, Dovre Group Plc's share capital was EUR 9,603,084.48. On January 1, 2017, the total number of shares was 99,868,769 and on December 31, 2017, the total number of shares was 100,168,769. The change in the total number of shares, 300,000 in total, was due to shares subscribed for with the company's 2010C option plan. The increase in the total number of shares has been entered in the Finnish trade register on March 6, 2017.

## TRADING AND MARKET CAPITALIZATION

In January - December 2017, approximately 22.7 (13.1) million shares in Dovre Group Plc were traded on Nasdaq Helsinki Ltd, corresponding to an exchange of approximately EUR 6.3 (3.9) million.

During the financial year, the lowest quotation was EUR 0.22 (0.26) and the highest EUR 0.33 (0.36). On December 31, 2017, the closing quotation was EUR 0.27 (0.29).

The period-end market capitalization was approximately EUR 27.3 (29.0) million.

On December 31, 2017, the number of registered shareholders of Dovre Group Plc totaled 3,373 (3,368), including 8 (8) nominee registers. 0.3 (0.3) % of the Group's shares were nominee registered.

## AUTHORIZATIONS OF THE BOARD OF DIRECTORS

The Annual General Meeting held on March 30, 2017 authorized the Board of Directors to decide on the repurchase of the Company's own shares on the following conditions: the Board is entitled to decide on repurchase of a maximum of 9,900,000 of the Company's own shares, which shall be repurchased in deviation from the proportion to the holdings of the shareholders using the non-restricted equity and acquired through trading at the regulated market organized by Nasdaq Helsinki Ltd at the share price prevailing at the time of acquisition. This number of shares corresponds to approximately a maximum of 10.0% of the total number of shares in the Company. The shares may be repurchased in order to be used as consideration in possible acquisitions or other arrangements related to the Company's business, to finance investments or as part of the Company's incentive program or to be held, otherwise conveyed or cancelled by the Company. The Board of Directors shall decide on other matters related to the repurchase of the Company's own shares. This repurchase authorization is valid until June 30, 2018 and revokes earlier repurchase authorizations.

In addition, the Annual General Meeting authorized the Board of Directors 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 on the following conditions:

By virtue of the authorization, the Board may also decide on a directed issue of shares and special rights, i.e. waiving the pre-emptive subscription rights of the shareholders, under the requirements of the law. By virtue of the authorization, a maximum of 9,900,000 shares may be issued, corresponding to approximately 10.0% of the Company's existing shares. The Board may use the authorization in one or more instalments. The Board may use the authorization to finance or conclude acquisitions or other arrangements, to strengthen the Company's capital structure, to incentive programs or other purposes decided by the Board. The new shares may be issued or the Company's own shares conveyed either against payment or free of charge. The new shares may also be issued as an issue without payment to the Company itself. The Board was authorized to decide on other terms of the issuance of shares and special rights. By virtue of the authorization, the Board of Directors may decide on the realization of the Company's own shares possibly held by the Company as pledge. The authorization is valid until June 30, 2018. The authorization revokes earlier authorizations to issue shares and grant option rights and other special rights entitling to shares.

## OWN SHARES

In December the Board of Directors of Dovre Group Plc decided to commence repurchasing the company's own shares on the basis of the authorization given by the Annual General Meeting held on March 30, 2017. The repurchases started on December 5, 2017 and will end on March 28, 2018 at the latest.

During December 5-December 29, 2017 Dovre Group Plc repurchased in total 312,196 of its own shares with an average price of 0.2683 euro. The total price of the repurchased shares was 83,765.08 euro. At the end of December 2017 Dovre Group Plc held 312,196 of its own shares, representing approximately 0.3% of all the company's shares.

## OPTION RIGHTS

Dovre Group has one option plan, 2013. Each stock option entitles the holder to subscribe one share in Dovre Group Plc.

Option rights issued under the 2013 option plan are as follows:

2013 OPTION PLAN SUBSCRIPTION PERIOD	SUBSCRIPTION PRICE (EUR)	NUMBER OF OPTIONS	NUMBER OF SHARES
A March 1, 2015-February 29, 2018	0.39	1,000,000	1,000,000
B March 1, 2016-February 28, 2019	0.52	1,000,000	1,000,000
C March 1, 2017-February 28, 2020	0.43	1,000,000	1,000,000
<b>Total</b>		<b>3,000,000</b>	<b>3,000,000</b>
Cancelled		0	0
Share subscriptions		0	0
Remaining December 31, 2017		3,000,000	3,000,000
Of which in reserve		650,000	650,000

No option rights were granted under the 2013 option plan during the financial year. A total of 100,000 stock options under the 2013 option plan were returned to the company. At the end of the financial year, the company had granted a total of 2,350,000 stock options under the 2013 option plan and had in reserve a total of 650,000 stock options.

Dovre Group's 2010 option plan expired in accordance with the terms of the option plan on February 28, 2017, when the subscription period for 2010C option series ended. A total of 505,000 shares were subscribed for with the 2010C option series, a total of 300,000 of which were subscribed for during the financial year. The remaining 270,000 stock options were cancelled.

## LARGEST SHAREHOLDERS ON DECEMBER 31, 2017

SHAREHOLDER	NUMBER OF SHARES	% OF SHARES AND VOTES
1 Commuter 2 AS	17,145,938	17.1%
2 Olsen Ole	15,670,640	15.6%
<i>Olsen Ole</i>	35,186	0.0%
<i>Visual Engineering AS 1)</i>	15,635,454	15.6%
3 Etra Capital Oy	15,000,000	15.0%
4 Koskelo Ilari	5,948,655	5.9%
<i>Koskelo Ilari</i>	4,648,655	4.6%
<i>Navdata Oy 2)</i>	1,300,000	1.3%
5 Mäkelä Pekka	1,775,713	1.8%
6 Siik Seppo	1,715,416	1.7%
7 Siik Rauni	1,642,849	1.6%
8 Sijoitusrahasto Evli Suomi Pienyhtiöt	1,510,520	1.5%
9 Oy Cen-Invest Ab	1,300,000	1.3%
10 Paasi Kari	1,216,843	1.2%
11 Hinkka Petri	1,000,000	1.0%
12 Keep it simple KIS Oy Ab	820,000	0.8%
13 Heikki Tervonen Oy	660,000	0.7%
14 Ruokostenpohja Ismo	647,967	0.6%
15 Toivanen Kari	599,000	0.6%
16 Hinkka Invest Oy	583,390	0.6%
17 Zeroman Oy	570,001	0.6%
18 Kefura Ab	519,971	0.5%
19 OP-Henkivakuutus Oy	519,052	0.5%
20 Amlax Oy	503,536	0.5%
<b>20 largest shareholders (total)</b>	<b>69,349,491</b>	<b>69.2%</b>
Nominee registered shares (total)	323,531	0.3%
Total remaining	30,495,747	30.4%
<b>Total</b>	<b>100,168,769</b>	<b>100.0</b>

1) Ole Olsen, who is Vice Chairman of the Board of Directors, holds control in Visual Engineering AS.

2) Ilari Koskelo, who is a member of Dovre Group's Board of Directors, holds control in Navdata Oy.

## ANALYSIS OF SHAREHOLDINGS ON DECEMBER 31, 2017

### By number of shares owned

NUMBER OF SHARES	NUMBER OF SHAREHOLDERS	% OF ALL SHAREHOLDERS	TOTAL NUMBER OF SHARES	% OF ALL SHARES
1-100	288	8.5	17,952	0.0
101-500	634	18.8	221,489	0.2
501-1,000	511	15.1	455,003	0.5
1,001-5,000	1,062	31.5	2,902,132	2.9
5,001-10,000	368	10.9	2,903,530	2.9
10,001-50,000	364	10.8	8,196,158	8.2
50,001-100,000	63	1.9	4,612,987	4.6
100,001-500,000	61	1.8	11,045,213	11.0
500,001-	22	0.7	69,814,305	69.7
<b>Total</b>	<b>3,373</b>	<b>100.0</b>	<b>100,168,769</b>	<b>100.0</b>

### By shareholder category

NUMBER OF SHARES	NUMBER OF SHAREHOLDERS	% OF ALL SHAREHOLDERS	TOTAL NUMBER OF SHARES	% OF ALL SHARES
Private companies	143	4.2	25,537,240	25.5
Financial and insurance institutions	10	0.3	2,405,188	2.4
Public bodies	1	0.0	800	0.0
Non-profit organizations	5	0.1	25,460	0.0
Households	3,176	94.2	38,253,303	38.2
Foreign shareholders	38	1.1	33,946,778	33.9
<b>Total</b>	<b>3,373</b>	<b>100.0</b>	<b>100,168,769</b>	<b>100.0</b>
Nominee registered	8		323,531	0.3

### HOLDINGS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

On December 31, 2017, the members of the Board of Directors, including ownership through controlled companies, held a total of 21,765,851 shares, representing approximately 21.7% of all shares and votes.

On December 31, 2017, the CEO of Dovre Group Plc held a total of 151,000 shares, representing approximately 0.2% of all shares and votes.

NAME	NUMBER OF SHARES	% OF ALL SHARES	NUMBER OF STOCK OPTIONS 1)
Rainer Häggblom	146,556	0.1%	0
Ole Olsen 2)	15,670,640	15.6%	50,000
Aloysius (Louis) Harrewijn	0	0.0%	0
Ilari Koskelo 3)	5,948,655	5.9%	0
<b>Board total</b>	<b>21,765,851</b>	<b>21.7%</b>	<b>50,000</b>
Patrick von Essen (CEO)	151,000	0.2%	675,000

1) Each stock option entitles the holder to subscribe for one new share. The subscription price varies between EUR 0.39 and EUR 0.52 per share.

2) Ole Olsen holds control in Visual Engineering AS, which holds a total of 15,635,454 shares.

3) Ilari Koskelo holds control in Navdata Oy, which holds a total of 1,300,000 shares.



# 6. SIGNATURES FOR THE FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

**Espoo, Finland, February 21, 2018**

Rainer Häggblom  
Chairman of the Board of Directors

Ole Olsen  
Vice Chairman of the Board of Directors

Aloysius (Louis) Harrewijn  
Member of the Board of Directors

Ilari Koskelo  
Member of the Board of Directors

Patrick von Essen  
CEO

## **Auditor's statement**

Based on an audit, an opinion is expressed on these financial statements and on corporate governance on this date.

Helsinki, February 21, 2018

ERNST & YOUNG OY  
Authorized Public Accountants

Toni Halonen  
Authorized Public Accountant

AUDITOR'S REPORT



# 7. AUDITOR'S REPORT

(Translation of the Finnish original)

To the Annual General Meeting of Dovre Group Plc

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Dovre Group Plc (business identity code 0545139-6) for the year ended 31 December, 2017. The financial statements comprise the consolidated statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and notes, including a summary of significant accounting policies, as well as the parent company's income statement, balance sheet, cash flow statement and notes.

### In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have

fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 8 to the consolidated financial statements and in note 7 to the parent company's financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
<b>Valuation of Goodwill</b> <i>We refer to the note 13</i>	
<p>At the balance sheet date the value of the goodwill amounted to 15.2 m€ representing 42% of the total assets and 67% of the total equity. The annual impairment testing was a key audit matter, because:</p> <ul style="list-style-type: none"> <li>• Estimation process is complex and includes estimates;</li> <li>• It is based on assumptions relating to market and economic conditions; and</li> <li>• Of the significance of the goodwill to the financial statements in total.</li> </ul> <p>The recoverable amount of a cash generating unit is based on value in use calculations, the outcome of which could vary significantly if different assumptions were applied. There are a number of assumptions used to determine the value in use of the cash generating units, including revenue growth, operating margin and the discount rate applied. Changes in the above-mentioned assumptions may result in an impairment of goodwill.</p>	<p>Our audit procedures included evaluating key assumptions and methodologies used by the Group in the testing with a focus on the forecasted financial development and the determination of weighted average cost of capital. We tested the allocation of assets, liabilities, revenues and expenses to each of the cash generating units.</p> <p>We assessed retrospectively the outcome of the management's prior year estimates.</p> <p>We considered the appropriateness of the Group's disclosures in respect of impairment testing.</p>
<b>Revenue Recognition</b> <i>We refer to the Group's accounting policies and the note 3</i>	
<p>The Group's sales consist of revenue from the sale of services and licenses, and maintenance. Revenue from services sold is recognized when the services have been rendered.</p> <p>Revenue is a key performance measure used by the Group which can create an incentive for revenue to be recognized prematurely.</p> <p>Revenue recognition is a key audit matter and a significant risk of material misstatement as defines by EU statute 537/2014 10. Article 2c due to the significant risk relating to an incorrect timing of recognition of revenue.</p>	<p>Our audit procedures to address the risk of material misstatement relating to revenue recognition included, among others:</p> <ul style="list-style-type: none"> <li>• assessing the Group's accounting policies over revenue recognition and comparing them with applicable accounting standards;</li> <li>• understanding the nature of revenues, degree of automation and unusual contractual terms;</li> <li>• testing revenue recognition including testing the associated internal controls where applicable. Our testing included obtaining third party confirmations, agreeing recognized amounts to customer contracts and verifying the customer acceptance of delivery, where relevant.</li> <li>• performing substantive analytical audit procedures on revenues; and</li> <li>• assessing the disclosures in respect of revenues</li> </ul>

### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent

company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and

other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **OTHER REPORTING REQUIREMENTS**

### **Information on our audit engagement**

We were first appointed as auditors by the Annual General Meeting on 24.4.2003, and our appointment represents a total period of uninterrupted engagement of 15 years.

### **Other information**

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises information included in the report of the Board of Directors and in the Annual Report, but does not include the financial statements and our report thereon. We obtained the report of the Board of Directors prior to the date of the auditor's report, and the Annual Report is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement in the information included in the report of the Board of Directors, we are required to report this fact. We have nothing to report in this regard.

Helsinki, 21 February 2018

Ernst & Young Oy  
Authorized Public Accountant Firm

Toni Halonen  
Authorized Public Accountant

**CORPORATE GOVERNANCE  
STATEMENT 2017**



# 8. CORPORATE GOVERNANCE STATEMENT

## INTRODUCTION

This Corporate Governance Statement has been composed in accordance with the reporting requirements of the Finnish Corporate Governance Code (2015) issued by the Finnish Securities Market Association, and Chapter 7, Section 7 of the Finnish Securities Markets Act. The Finnish Corporate Governance Code can be found on the Association's website, [www.cgfinland.fi](http://www.cgfinland.fi). This Corporate Governance Statement is issued separately from the report by the company's Board of Directors. The Statement has been reviewed by Dovre Group Plc's Board of Directors.

## GENERAL PRINCIPLES

Dovre Group's parent company, Dovre Group Plc, is a public limited company registered in Finland and domiciled in Helsinki, Finland. In its decision-making and governance, Dovre Group complies with all applicable legislation, the company's Articles of Association, and the Finnish Corporate Governance Code issued by the Finnish Securities Market Association. In addition, the company complies with the rules and regulations of Nasdaq Helsinki Ltd and the standards, regulations, and guidelines of the Finnish Financial Supervisory Authority. Dovre Group's subsidiaries comply with local legislation.

The company deviates from the Corporate Government Code's recommendation 9 on the diversity of the board of directors, according to which both genders should be represented in the company's board of directors. The selection of the most recent members of the board of directors was based on their international background and industry competence. It was also not seen necessary to increase the number of members of the board of directors. In the previous years, there has been both genders represented on the company's board of directors. The company considers the diverse composition of the board as important and will strive to have representatives of both genders on the board.

The Board of Directors does not have any designated board committees. The establishment of committees has not been deemed necessary due to the size of the company and the Board. The duties of the Audit Committee are managed by the Board of Directors

Up-to-date information about the company's corporate governance is available on the company's website, [www.dovregroup.com/investors/corporate-governance.html](http://www.dovregroup.com/investors/corporate-governance.html).

## DOVRE GROUP'S GOVERNING BODIES

The General Meeting of Shareholders, the Board of Directors, and the CEO are responsible for the Group's management. Their tasks and responsibilities are determined in accordance with the Finnish Limited Liability Companies Act. The CEO, assisted by the Group Executive Team, is responsible for the Group's operational management.

### General Meeting of Shareholders

Dovre Group's supreme decision-making body is the General Meeting of Shareholders. The Annual General Meeting of Shareholders is organized once a year on a date set by the Board of Directors and is held within six (6) months of the end of the financial period. The Board of Directors may convene one or more Extraordinary General Meetings during the financial year if necessary. In accordance with the Articles of Association, the General Meeting is to be held in Espoo, Helsinki, or Vantaa. Notice of the Annual General Meeting and

a proposal for the agenda are released as stock exchange releases and published on the company's website.

The Annual General Meeting decides on the following issues:

- Adoption of the income statement and balance sheet
- Use of the profit or loss shown on the balance sheet
- Discharging from liability the members of the Board and the CEO
- Number of Board members and their election
- Election of the Auditor
- Remuneration of the Board and compensation of the Auditor
- Other issues as outlined in the notice of the meeting

### Board of Directors

Dovre Group's Board of Directors is responsible for the administration and the proper organization of the company's operations. The Board supervises the company's operations and management, and decides on significant matters concerning the company's strategy, organization, financing, and investments. The duties and responsibilities of the Board are determined in accordance with the company's Articles of Association and the Finnish Limited Liability Companies Act.

The Board has not established an audit committee; the duties of the audit committee are discharged by the Board in its entirety.

The Board prepares an annual charter that specifies the Board's meeting procedures and duties. In accordance with the Board charter, the duties of the Board include following:

- Assuming responsibility for tasks specified as obligatory for the Board of Directors by the Finnish Limited Liability Companies Act, the company's Articles of Association, or elsewhere
- Approving the Group's strategy and long-term financial targets
- Approving the Group's Code of Conduct
- Approving the Group's management system and organizational structure
- Approving annual business plans and changes to them, if any
- Approving internal control and risk management policies and monitor them
- Approving the Group's financial reports, including the company's half year financial report, annual financial statements, report by the Board of Directors, and Q1 and Q3 trading statements
- Assuming responsibility for communications related to the Group's financial objectives
- Approving the Group's financial policy
- Assuming responsibility for the development of the Group's market value and specifying dividend policy
- Approving business acquisitions and divestments and significant individual investments and contingent liabilities
- Approving the Group's incentive system and policy
- Appointing and dismissing the Group's top management (CEO and members of the Group Executive Team) and deciding on their terms of employment and remuneration
- Appointing a deputy to the CEO
- Overseeing the succession planning of the CEO
- Deciding on the establishment of new legal entities

- Assuming responsibility for the development of the Group's corporate governance
- Approving the agenda for Board meetings  
Reviewing the operations of the Board annually
- Reviewing the CEO's performance and giving feedback
- Acting as the Audit committee

In accordance with the Articles of Association, the Board has a minimum of three (3) and a maximum of eight (8) members. The Board members are elected by the Annual General Meeting for one term of office at a time. The term of office of a member of the Board begins at the end of the General Meeting that elected the member and expires at the end of the first Annual General Meeting following the election. The company's Articles of Association do not specify an upper age limit for, or the maximum number of terms of office, of a Board member, and place no other restrictions on the authority of the General Meeting to elect members to the Board. The Board selects a Chairman and a Vice Chairman from among its members, and the Board is deemed to have a quorum present when more than half of its members are present.

The company considers diverse composition of the Board as an important asset. In selecting candidates to the Board, the company pays attention, amongst other things, to the candidates' diverse and mutually complementary background, experience, and expertise, especially in international business. The company also aims to have, where possible, representatives of both genders on the Board.

The Board convenes normally once a month according to an preagreed schedule, and may hold additional meetings, if necessary. Minutes are kept for all meetings. In addition to matters requiring Board decision, the Board, in its meetings, is provided with up-to-date information on the Group's operations, financial situation, and risks.

### **Chief Executive Officer (CEO)**

The Board of Directors appoints the CEO. The CEO is responsible for the day-to-day management of the Group's business operations and governance in accordance with the Articles of Association, the Finnish Limited Liability Companies Act, and the instructions issued by the Board. The CEO is assisted by the Group Executive Team.

### **Group Executive Team**

The Group Executive Team is appointed by the Board of Directors. The Group Executive Team assists the CEO in the operative management of the Group, prepares items for the Board and the CEO, and plans and monitors the operations of the Group's business units. The Group Executive Team convenes at least once a month. The CEO acts as the Chairman of the Group Executive Team.

### **INTERNAL AUDIT**

The Group has no separate internal audit organization. The establishment of an internal audit organization has not been deemed necessary due to the size of the company. The Group's Executive Team assesses and ensures the sufficiency and effectiveness of the Group's internal control, as well as supports the Board with its monitoring responsibility.

### **EXTERNAL AUDIT**

According to the Articles of Association, Dovre Group shall have one auditor who shall be an audit firm. The term of the auditor expires at

the end of the first Annual General Meeting following their selection. The Board's proposal for the auditor is disclosed in the notice of the General Meeting.

The primary purpose of an audit is to verify that the financial statements give accurate and adequate information concerning the Group's result and financial position for the financial period. In addition, the auditors shall report to the Board of Directors on the ongoing auditing of administration and operations.

### **INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS PERTAINING TO FINANCIAL REPORTING**

The purpose of the Group's internal control is to support the implementation of the Group's strategy and to ensure that the Group complies with all relevant rules and regulations. The Group's internal control framework is based on the Dovre Group Authorization Matrix, which specifies the authority and the responsibilities of the Group's management. The Authorization Matrix is approved by the Board of Directors, which also acts as the highest supervisory body of the Group's internal control. The implementation of internal control measures is supervised primarily by the CEO and CFO, who report to the Board.

The ultimate responsibility for accounting and financial administration lies with Dovre Group's Board of Directors. The Board is responsible for internal control, and the CEO is responsible for the day-to-day organization and monitoring of the control system. The steering and monitoring of business operations is based on the reporting and business planning system that covers the entire Group. The CEO and CFO report monthly to the Board and the Group Executive Team on the Group's financial situation and development.

The purpose of financial reporting is to ensure that all assets and liabilities in the financial statements belong to the company; that all rights and liabilities of the company are presented in the financial statements; that items in the financial statements have been classified, disclosed, and described correctly; that assets, liabilities, income, and expenditure are entered in the financial statements at the correct amounts; that all transactions during the reporting period are included in the accounts; that transactions entered in the accounts are factual transactions; and that assets have been secured.

### **RISK MANAGEMENT AND RISK ASSESSMENT**

The Group's risk management is guided by legal requirements, business requirements set by shareholders of the company, and the expectations of customers, personnel, and other important stakeholders. The goal of risk management is to acknowledge and identify systematically and comprehensibly any risks relating to the company's operations and to make sure that all such risks are appropriately accounted for when making business decisions.

The Group's risk management procedures support the achievement of the Group's strategic goals and seeks to ensure the continuity of the Group's business operations. The Group takes risks that are a natural part of its strategy and objectives. The Group is not ready to take risks that might endanger the continuity of its operations or be uncontrollable or that may significantly harm the Group's operations.

In accordance with the Group's risk management procedures, the Board of Directors receives an annual report of the most significant risks facing the Group. The Board analyses the risks from the point of view of shareholder value.



The company's risk management process includes an annual identification and analysis of risks pertaining to financial reporting. In addition, the company seeks to analyze and report all new risks immediately as soon as they have been identified. Taking into account the extent of the Group's business operations, the most significant risks pertaining to the reliability of financial reporting relate to revenue recognition, impairment testing (including goodwill), and tax reporting.

### **CONTROL FUNCTIONS**

The correctness and reliability of financial reporting are ensured through compliance with Group policies and guidelines. Control functions that ensure the correctness of financial reporting include controls related to accounting transactions, to the selection of and compliance with the Group's accounting principles, to information systems, and to fraud or malpractice.

Revenue recognition is supervised by the Group's CFO and is based on the required sale and delivery documents.

The Group's bad debt provision is reviewed monthly. Any eventual bad debt provisions are based on the aging of trade receivables per sales company.

The Group's goodwill is tested for impairment at the end of each financial year on the balance sheet date. Key variables used in the calculations are net sales growth and the estimated change of profit margin. In addition, indications of impairment are monitored regularly. If indications of impairment are detected, a separate testing is performed.

The performance of business operations and the attainment of annual goals is assessed monthly in Group Executive Team and Board meetings. Monthly management and Board reporting includes both the actual and the estimated results compared to the budget and the actual results of previous periods. Financial reports generated for the management are used for monitoring certain key indicators associated with the development of sales, profitability, and trade receivables on a monthly basis.

In accordance with its strategy, Dovre Group may complement its organic growth with acquisitions. In making acquisitions, the Group follows due diligence and utilizes its internal competence together with external advisors in the planning phase (e.g. due diligence), takeover phase, and when integrating acquired functions into the Group's operations.

### **INTERNAL COMMUNICATION AND SHARING OF INFORMATION**

The purpose of management reporting is to produce up-to-date, relevant information for decision-making. The CFO provides the Group's business units with monthly reporting guidelines and is in charge of any special reporting instructions related to budgeting and forecasting. The Group's financial administration distributes, on a regular basis, internal information on processes and procedures pertaining to financial reporting. Internal control tasks are carried out in accordance with this information. Financial administration also arranges targeted training for the organization's personnel on the procedures associated with financial reporting and changes in them, if necessary. The Group's investor relations maintains, in cooperation with the Group's financial administration, the guidelines on the disclosure of financial information, including, for example, the disclosure obligations of a publicly listed company.

### **MONITORING**

Monitoring refers to the process of assessing Dovre Group's internal control system and its performance in the long term. The Group continuously monitors its operations also through various separate assessments, such as internal and external audits, and supplier audits carried out by clients. The Group's management monitors internal control as part of its day-to-day work. The Group Executive Team is responsible for ensuring that all operations comply with applicable laws and regulations. The Group's financial administration monitors compliance with the financial reporting processes. The financial administration also monitors the correctness of external and internal financial reporting. The Board of Directors assesses and ensures the appropriateness and effectiveness of the Group's internal control and risk management.

The Group's internal control is also assessed by the Group's external auditor. The auditor verifies the correctness of external annual financial reporting. The most significant observations and recommendations of the audit are reported to the Board of Directors.

### **INSIDER ADMINISTRATION AND TRADING RESTRICTIONS**

With regards the company's insider guidelines, Dovre Group complies with the applicable legislation, the standards of the Finnish Financial Supervisory Authority as well as Nasdaq Helsinki Ltd.'s Guidelines for Insiders effective as of July 3, 2016. In accordance with the legislation in force and the standards and guidelines in question, inside information refers to all information of a precise nature, which has not been made public and relates, directly or indirectly, to one or more issuers or to one or more financial instruments and which, if made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. Dovre Group discloses any possible inside information concerning the company as soon as possible and as a stock exchange release. However, the company may, on its own responsibility and on a case-by-case basis, delay disclosure of inside information to the public in accordance with the conditions outlined in the Market Abuse Regulation ((EU) No 596/2014). Should the company decide to delay disclosure, the company documents and continuously monitors the preconditions of delayed disclosure. The company notifies the Finnish Financial Supervisory Authority of the delayed disclosure immediately after the information has been publicly disclosed.

Dovre Group does not maintain a list of permanent insiders, but establishes project-specific insider lists following the identification of a specific issue as inside information by the company's Board of Directors and the Board's decision to establish an insider list relating to the identified issue. The CFO is responsible for administration of the company's insider registers. The company maintains its project-specific insider lists in the insider list service provided by Euroclear Finland Ltd.

The company has defined the Board of Directors, the CEO and the Group Executive Team as persons discharging managerial responsibilities. The company maintains a list of persons discharging managerial responsibilities and their closely associated persons. In accordance with current legislation, persons discharging managerial responsibilities in Dovre Group as well as their closely associated persons are obliged to notify the company and the FSA of every transaction in the company's financial instruments. The notification

obligation applies to all transactions once a total amount of EUR 5,000 has been reached within a calendar year. Dovre Group will disclose all such transaction notifications as stock exchange releases within three (3) business days of the date of transaction.

Persons discharging managerial responsibilities in the company may not trade in any financial instruments in the company during a closed period of 30 calendar days before the announcement of the company's half year financial report, annual financial statements, or Q1 and Q3 trading statements. In addition to persons discharging managerial responsibilities in the company, the trading restriction applies to the company's employees participating in the preparation, drawing-up, and disclosure of the company's financial reports.

## REMUNERATION

The Annual General Meeting decides on the remuneration of the Board of Directors. The Board decides on the terms and conditions of the employment of the CEO, specified in writing. The remuneration principles of the key management are set by the Board. The Board annually approves the Group's short-term and long-term incentive schemes.

The Board decides on the CEO's and the Group Executive Team's remuneration. The remuneration of the management of the Group's business areas is based on the so-called one-over-one principle whereby the remuneration decision must be approved by the supervisor of the employee's direct supervisor.

## CORPORATE GOVERNANCE IN 2017

### Annual General Meeting

Dovre Group's Annual General Meeting was held in Helsinki on March 30, 2017.

### Board of Directors

The Annual General Meeting elected four (4) members to the Board of Directors. The Chairman of the Board was Rainer Häggblom and the Vice Chairman Ole Olsen. The other members were Aloysius (Louis) Harrewijn and Ilari Koskelo. Ole Olsen is dependent of the company and its significant shareholders. Other members of the Board were independent of the company and significant shareholders. Until the Annual General Meeting held on March 30, 2017, the Board of Directors consisted of Rainer Häggblom (Chairman), Aloysius (Louis) Harrewijn (Vice Chairman), Christian Bull Eriksson and Ilari Koskelo.

In 2017, the Board convened 13 times, with an attendance rate of 100 per cent. The Group's CFO Heidi Karlsson acted as the Secretary of the Board of Directors.

#### BOARD MEMBER ATTENDANCE AT MEETINGS:

Häggblom, Rainer	13/13
Olsen, Ole	13/13
Harrewijn, Aloysius (Louis)	13/13
Koskelo, Ilari	13/13
Eriksson, Christian Bull	3/3

## CEO

Patrick von Essen has served as the Group's CEO as of April 1, 2014.

Based on the information obtained from Euroclear Finland Ltd, on December 31, 2017, Patrick von Essen held a total of 675,000 options and a total 151,000 shares in Dovre Group Plc.

## Group Executive Team

At the end of 2017, the members of the Group Executive Team were Patrick von Essen (CEO), Heidi Karlsson (CFO), Stein Berntsen (President, business area Consulting) and Arve Jensen (President, business area Norway). In December Mari Paski was appointed new CFO as of January 1, 2018, as CFO Heidi Karlsson will pursue her career in the service of another company as of March 1, 2018.

Based on the information obtained from Euroclear Finland Ltd, on December 31, 2017, members of the Group Executive Team held a total of 210,000 shares in Dovre Group Plc and a total of 935,000 stock options. Each stock option entitles the owner to subscribe to one share in Dovre Group Plc. The above information does not include the shares and options held by the company's CEO Patrick von Essen.

## Shareholdings and options of Dovre Group Plc's management on December 31, 2017:

NAME	SHARES	OPTIONS
Berntsen Stein (Member of the Group Executive Team)	0	200,000
Harrewijn Louis (Member of the Board)	0	0
Häggblom Rainer (Chairman of the Board)	146,556	0
Jensen Arve (Member of the Group Executive Team)	80,000	400,000
Karlsson Heidi (Member of the Group Executive Team)	130,000	335,000
Koskelo Ilari (Member of the Board)	5,948,655	0
Olsen Ole (Vice Chairman of the Board)	15,670,640	50,000
von Essen Patrick (CEO)	151,000	675,000

Information includes also ownership through controlled companies of the Board members.

## External audit

In 2017, the Group's auditor was Ernst & Young Ltd., Authorized Public Accountants, with Toni Halonen, APA as the principal auditor.

## REMUNERATION IN 2017

### Board of Directors

The General Meeting decides on the remuneration of the Board of Directors. The proposal for the remuneration of the Board of Directors presented to the General Meeting is based on the shareholders' proposal delivered to the company. In 2017, the proposal for the remuneration of the Board of Directors came from shareholders, who represented over 55 per cent of all shares and votes in the company.

The Annual General Meeting held on March 30, 2017, decided that the Chairman of the Board be paid EUR 35,000, Vice Chairman EUR 25,000, and each other member of the Board EUR 22,000 for the term which will last to the next Annual General Meeting. Actual travelling expenses are compensated as incurred. Of the annual remuneration, 40 per cent of the total gross compensation will be used to purchase Dovre Group Plc's shares in public trading through Nasdaq Helsinki Ltd. Remuneration of the members of the Board and method of payment did not change from the previous year.

### Remuneration of the members of the Board of Directors in 2017:

MEMBER	ANNUAL REMUNERATION, EUR	NO. OF SHARES PURCHASED *)
Hägglblom Rainer (Chairman)	35,000	49,261
Olsen Ole (Vice Chairman)	25,000	35,186
Harrewijn Louis	22,000	30,964
Koskelo Ilari	22,000	30,964
<b>Total</b>	<b>104,000</b>	<b>146,375</b>

\*) 40% of total annual remuneration has been paid in the company's shares

### CEO

The Board of Directors decides on the remuneration of the CEO. The terms and conditions of employment of the CEO are approved by the Board and specified in writing.

Patrick von Essen's compensation consists of an annual salary of EUR 226,800 (including holiday pay, and car and phone benefits), a performance-based bonus decided by the Board, and a life insurance. The contract includes pension benefits pursuant to the Employees' Pensions Act (TyEL). The contract does not specify the CEO's retirement age. The contract may be terminated by either party by giving three (3) months' notice. Should the company decide to terminate the employment contract, the CEO is entitled to a severance pay equivalent of 12 months' salary including fringe benefits in addition to the salary for the period of notice.

The CEO's bonus is based on the company's or its individual units' performance and profitability or on the successful completion of organizational measures. These objectives are specified annually. The CEO's bonus may not exceed EUR 115,000 over 12 months. The CEO is also eligible for the long-term incentive plans for the Group's key personnel (stock option plans).

In 2017, CEO Patrick von Essen's total compensation for his role as the company's CEO was EUR 226,654 for 2017. Based on the information obtained from Euroclear Finland Ltd, on December 31, 2017, Patrick von Essen held a total 675,000 stock options and a total 151,000 shares in Dovre Group Plc.

### Group Executive Team

The Group Executive Team's remuneration consists of total salary (including salary in money and typical fringe benefits such as car and phone) as well as long- and short-term incentives as decided by

the Board of Directors. Short-term incentives include a yearly performance-based bonus decided by the Board. Long-term incentives include option plans, for which all members of the Group Executive Team are eligible. The Board decides on long term incentive plans. The Group has not taken out any additional pension insurance for the members of the Group Executive Team.

The Board approves annually the terms and criteria of the Group Executive Team's short-term incentives (or bonuses). Any bonuses are based on the achievement of financial targets, such as operating result and net sales and other related targets, on either Group and/or business unit level. In addition, members of the Group Executive Team may have either individual or team objectives.

In 2017, the total salaries and benefits of the Group Executive Team members, not including the CEO, were EUR 992,719. Performance bonuses totaled EUR 119,525.

### Long-term incentive plans for key personnel (option plans)

In 2017, the company had one open option plan, option plan 2013, directed to the Group's key personnel. Each stock option entitles the holder to subscribe one share in Dovre Group Plc.

The 2013 option plan was approved by the company's Board of Directors in their meeting on January 24, 2013 based on the authorization given by the Annual General Meeting held on March 15, 2012. The share subscription price and period per series under the 2013 option plan are as follows:

- 2013A: Subscription price EUR 0.39; subscription period March 1, 2015 - February 29, 2018.
- 2013B: Subscription price EUR 0.52; subscription period March 1, 2016 - February 28, 2019.
- 2013C: Subscription price EUR 0.43; subscription period March 1, 2017 - February 28, 2020.

Options of the option plan 2013 were not granted during 2017. A total of 100,000 of 2013 options were returned to the company. At the end of 2017, the company had granted a total of 2,350,000 options under the 2013 option plan and had in reserve a total of 650,000 options.

Dovre Group's 2010 option plan expired in accordance with the terms of the option plan on February 28, 2017, when the subscription period for 2010C option series ended. A total of 505,000 shares were subscribed for with the 2010C option series, a total of 300,000 of which were subscribed for during the period under review. The remaining 270,000 stock options expired as unused.

The full terms and conditions of the company's option plan can be found on the company's Investor pages at <https://www.dovre-group.com/investors/corporate-governance.html> -> Remuneration.

The company's Board of Directors has also an authorization granted by the Annual General Meeting held on March 30, 2017, to decide on the issuance of new shares and the granting of option rights and other special rights entitling to shares. The authorization is valid until June 30, 2018. In accordance with the resolution of the Annual General Meeting, the Board may use the authorization, among other things, for the company's incentive programs. The Board may issue a maximum of 9,900,000 shares by virtue of the authorization, and the Board may use the authorization in one or more installments. The Board of Directors did not use the authorization in 2017.

## Board members December 31, 2017

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### Rainer Häggblom

Chairman of the Board

Member of the Board since March 14, 2013



M. Sc. (For.),

M. Sc. (Econ. and Business Admin.)

Board professional and investor

b. 1956, Finnish citizen

#### *Key employment*

Jaakko Pöyry Consulting Ltd: Managing Director 1995-2008

#### *Key positions of trust*

Chairman of the Board: The Forest Company Ltd.,

Häggblom & Partners Ltd Oy

Member of the Board: Empower Plc, Honkarakenne Plc,

United Bankers Plc

*Independent of the company and significant shareholders*

### Ole Olsen

Vice Chairman of the Board

Member of the Board since March 30, 2017



B. Sc. Mech., MBA

Visual Engineering AS,

Managing Director and founder

b. 1962, Norwegian citizen

#### *Key employment*

Dovre Group: President, Business Area APAC, 2015-2017

Norwegian Petroleum Consultants (NPC):

Group CEO 2013-2015; Director South East Asia 2010-2015;

Business Development 2008-2010;

Senior Project Engineer 2001-2008

Aker Solutions: Senior Project Engineer 1999-2000

Brown & Root Energy Services: Project Engineer 1996-1999

Aker Engineering: Project Engineer 1992-1996

Lyse Kraft: Mechanical Engineer 1986-1992

*Dependent of the company and significant shareholders*

### Aloysius (Louis) Harrewijn

Member of the Board

since March 17, 2016



B. Sc. in Technical Business

Administration

Advisor and Board professional

b. 1965, Dutch citizen

#### *Key employment*

Mentor International Management Consultants:

Regional Manager Asia Pacific

Brunel International: Regional Director for Middle East &

India and as Regional Director for Southeast Asia

Manpower: General Manager Philippines

Société Générale de Surveillance (SGS): Division Director

Thailand/Philippines

*Independent of the company and significant shareholders*

### Ilari Koskelo

Member of the Board

since February 28, 2008



M.Sc., MBA, B. Sc.

Navdata Ltd, Managing Director

b. 1959, Finnish citizen

#### *Key employment*

Navdata Ltd: Managing Director and founder

Soil Scout Ltd: Co-founder

Javad Positioning Systems Inc. and

Global Satellite Solutions Inc.: Co-founder

Geo/Hydro Inc.: Project Manager

#### *Key positions of trust*

Chairman of the Board: Navdata Ltd

Member of the Board: Soil Scout Ltd,

SaraRasa Bioindo Pte. Ltd.

*Independent of the company and significant shareholders*

## Group Executive Team on December 31, 2017

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### Patrick von Essen

CEO since April 2014



M. Sc. (Eng.)

b. 1963, Finnish citizen

#### Key employment

Fiskars Corporation: Vice President,  
Real Estate 2012-2014

Neste Jacobs Oy: Vice President, Oil & Gas 2011-2012

Pöyry Plc: President, Renewable energy 2009-2011;

President, Pulp & Paper 2007-2008;

President, North America 2005-2006;

Business development manager (Pöyry Forest Industry Oy) 1999-2005

ABB Service Oy: Global Manager, Pulp & Paper Industry

Maintenance 1998-1999

Pöyry Sweden AB: Business Development Manager 1997-1998

#### Key positions of trust

Member of the Board: Etteplan Plc, Raute Plc

### Heidi Karlsson

CFO

Member of the Group Executive  
Team since June 2010

(excluding September 2013-June 2014)



M. Sc. (Econ.)

b. 1967, Finnish citizen

#### Key employment

Nokia Siemens Networks: Head of Management

Reporting and Project Manager 2009-2010;

Region Controller (Latin America) 2007-2009

Nokia Networks: Managerial finance positions in Germany,

Switzerland, China, Finland, and Brazil 1993-2006

### Stein Berntsen

President, business area Consulting

Member of the Group Executive

Team since July 2014



M. Sc. (Econ. and BA)

b. 1965, Norwegian citizen

#### Key employment

Dovre Group Consulting AS: Managing Director/  
Managing Partner, Dovre Consulting Norway 2011-2014;

EVP, Management Consulting 2008-2011

Dovre International AS: Vice President,

Project Management 2006-2008;

Vice President, Project Consulting 2002-2008;

Manager Project Analysis 2000-2002;

Project Control Manager (at Statoil) 1999-2000;

Senior Consultant (at Statoil) 1997-1999

Philips Petroleum AS: Department Manager,

Risk Management 1995-1997;

Senior Cost Estimator 1993-1995;

Cost and Contracts Engineer 1991-1993;

Cost Estimator 1989-1991

### Arve Jensen

President, business area Norway

Member of the Group Executive

Team since October 2009



M. Sc. (Mech.)

b. 1959, Norwegian citizen

#### Key employment

Dovre Group Projects AS: Managing Director 2015 - present

Dovre Group AS: EVP and Head of Project Personnel

Division 2012-2015; EVP Norway 2009-2012;

Managing Director (Dovre International AS) 2001-2008;

Regional Director 1994-2001; Senior Consultant (at Statoil) 1993-  
1999

ABB Global Engineering AS: Senior Project Engineer within  
Statfjord Satellite Project 1990-1993

Senior Project Engineer at Aker and Statoil 1988-1990

Aker Engineering AS: Engineer 1985-1987





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