Dovre GROUP

2016

ANNUAL REPORT

INDEX

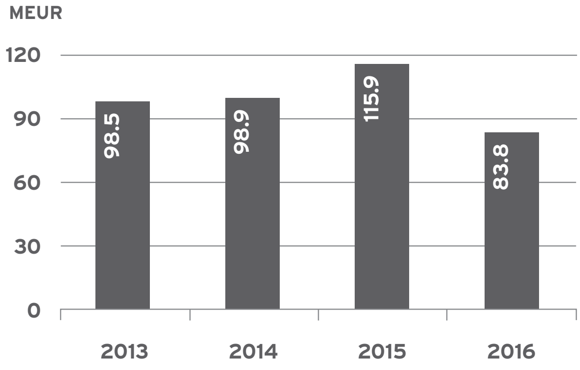
DOVRE GROUP IN BRIEF

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).

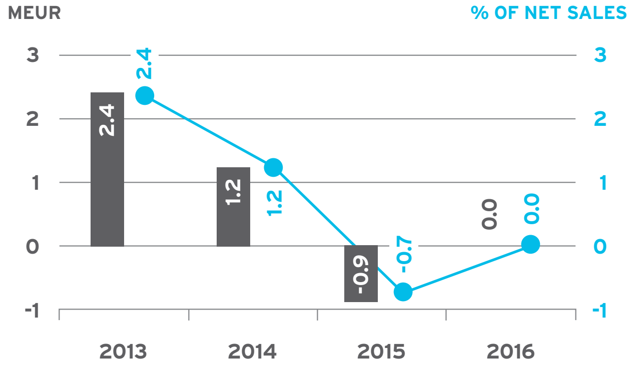
Dovre Group has two business areas: Project Personnel and Consulting. Dovre Group's Project Personnel business area has over 30 years of experience as a global provider of project professionals for large investment projects. The Group's Consulting business area operates in the Nordic countries and provides management and project management expertise for the development and execution of large investment projects.

In 2016, Dovre Group's net sales were EUR 83.8 million and the Group's operating result was EUR 0.0 million. Project Personnel accounted for 92% and Consulting for 8% of the net sales. Dovre Group employs around 500 people worldwide.

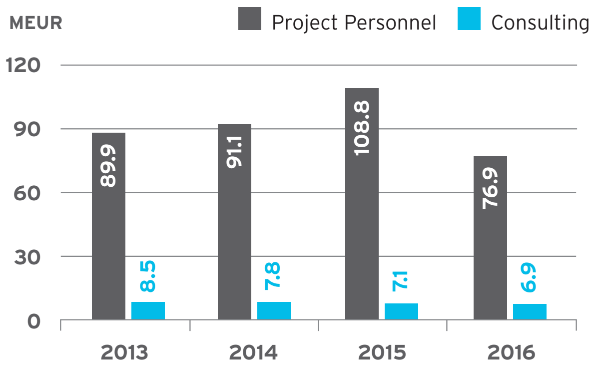
NET SALES



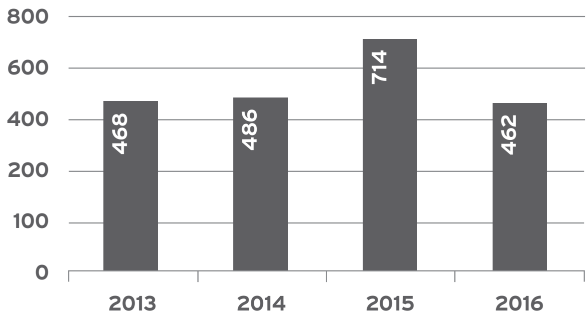
OPERATING RESULT



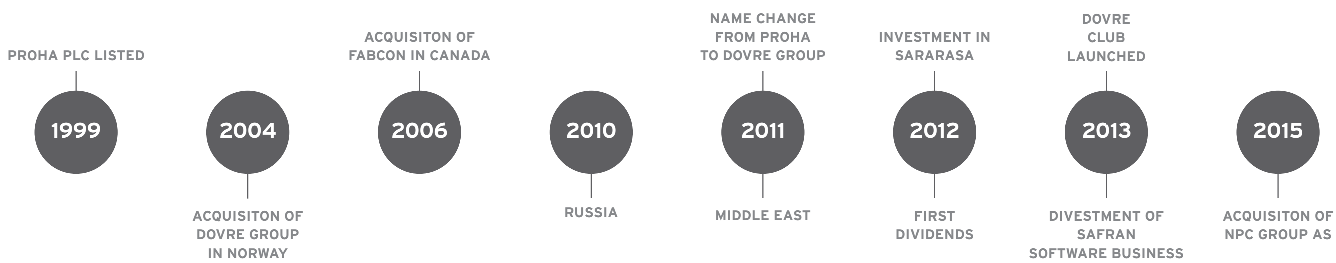
NET SALES BY BUSINESS AREA



PERSONNEL AT THE END OF THE YEAR



DOVRE GROUP'S DEVELOPMENT



STRATEGIC PROGRESS IN A DIFFICULT MARKET

For our Project Personnel business, 2016 was dramatic, and the business environment in oil & gas was the most challenging in a decade. Demand decreased the first three quarters of the year. However, in the final quarter of 2016, we recorded the first quarter-on-quarter organic sales increase since the beginning of 2015. There are signs that the oil & gas market has now reached bottom. At the same time, we are gaining ground in energy, infrastructure and industry projects.

We cannot be satisfied with Project Personnel's financial performance in 2016. I am, however, happy with our progress in four strategic key areas:

1. **De-risking our client portfolio.** Our exposure to our three largest clients has decreased significantly. In 2016, only two Clients each exceeded 10% of the Group's net sales. Our client portfolio is considerably more balanced than a year ago.
2. **Diversification.** Our dependence on oil & gas projects has decreased. Already around 40% of our volume comes from other client segments, i.e. energy, infrastructure and industry projects. We have exceeded the diversification target we set ourselves for the year.
3. **Client acquisition.** We signed over 20 frame agreements in 2016, and our frame agreement portfolio is now stronger than ever before.
4. **Cost efficiency.** We continued optimizing our fixed costs. Our annual expenses at the end of 2016 were approximately EUR 3 million lower than at the end of 2015. Also here we exceeded the set target.

Our Consulting business had a very good year. Performance continued strong in Norway and improved significantly in Finland.

Going forward, we will continue to invest in sales competence and capacity. We want to be our clients' preferred partner in large projects. We continue streamlining and digitalizing our work processes.

We continue to serve the world's leading organizations in their most demanding projects – and the feedback is excellent.

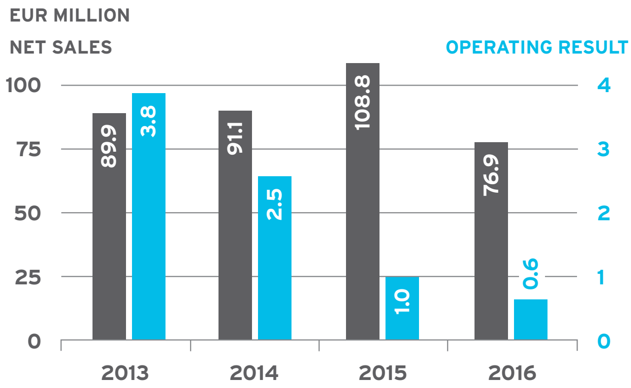
I take this opportunity to thank each of Clients – old and new – for your business with Dovre Group. A big, warm thank you to all our staff: you have really gone the extra mile, and I know it has not been easy. And last, but certainly not least, my sincere thanks to our hundreds of Consultants out there helping our Clients succeed in their projects.

Patrick von Essen
CEO

"I AM HAPPY WITH OUR PROGRESS IN FOUR STRATEGIC KEY AREAS."

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 2016, 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's clients are leading private companies. We make sure that our clients have access to the best project professionals – whenever or wherever they need them. As a publicly listed company, we are a transparent and trustworthy partner for our clients, and consistently get highest ranking for quality from our clients.

The key to success in the project personnel business is having 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.

2016 – DECADE'S MOST CHALLENGING YEAR

The year 2016 was the decade's most challenging in the Project Personnel business area. The demand for project personnel services in upstream oil & gas continued to slide, although more gradually towards the end of the year. However, investment in diversification and client acquisition is paying off. Our dependence on oil & gas projects is diminishing and our framework portfolio growing stronger.

Project Personnel's net sales decreased from the previous year, reaching EUR 76.9 (108.8) million in 2016. Project Personnel's operating result was EUR 0.6 (1.0) million.

In 2016, the average number of personnel employed by Project Personnel was 498 (599). 27 (28) % 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 2016.

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. Dovre Group is well-positioned to meet this trend.

In line with our strategy, we are seeking growth mainly outside upstream oil & gas. Our networks in oil & gas are proving to be a valuable asset for other industries: People with experience from upstream oil & gas projects are highly appreciated for their project competence and safety awareness. Many of them are today working in hydropower, power transmission and chemical industry projects.

In 2016 we implemented Group-wide annual cost savings of approx. EUR 3 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.

"WE MAKE SURE THAT OUR CLIENTS HAVE ACCESS TO THE BEST PROJECT PROFESSIONALS – WHENEVER OR WHEREVER THEY NEED THEM."

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:

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

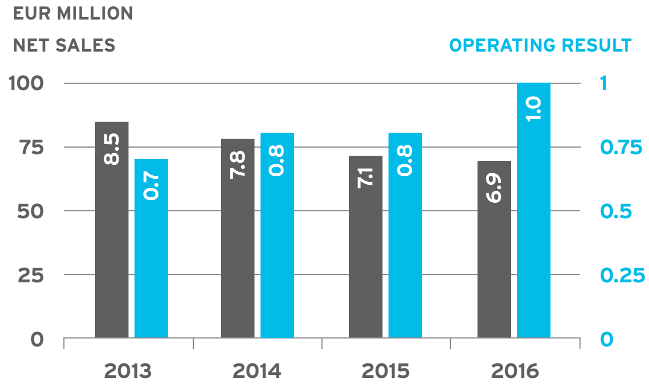
With long-standing experience in the industry, we focus on the main areas of project management and procurement consulting, where we supply our clients in different industries with:

- 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 tools

Key to successful consulting is the ability to provide 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. For 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 2016

In 2016, net sales decreased slightly compared to the previous year, reaching EUR 6.9 (7.1) million. The full year operating profit improved from 2015, reaching EUR 1.0 (0.8) million in 2016..

In 2016, the average number of personnel employed by Consulting was 40 (45).

CONSOLIDATION IN THE CONSULTING MARKET

Dovre Group expects the demand for consulting services to remain reasonably steady in 2017. 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 countercyclically, investments in infrastructure projects are expected to increase. Demand in Finland is expected to remain on the same level as in 2016.

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.

"WITH LONG-STANDING EXPERIENCE IN THE INDUSTRY, WE FOCUS ON THE MAIN AREAS OF PROJECT MANAGEMENT AND PROCUREMENT CONSULTING."

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 -> Investors**. All financial releases can also be obtained by emailing to **info@dovregroup.com**.

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

FINANCIAL REPORTING IN 2017

- Q1 trading statement for January 1–March 31, 2017 on Thursday, April 27, 2017
- Half-year report for January 1–June 30, 2017 on Thursday, July 27, 2017
- Q3 trading statement for January 1–September 30, 2017 on Thursday, October 26, 2017.

Dovre Group's Annual General Meeting will be held at Suomalainen Klubi in Helsinki (address: Kansakoulukuja 3) on Thursday, March 30, 2017, at 3.00 pm.

CONTACT INFORMATION

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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, 2016: 99,868,769
For more information **www.nasdaqomxnordic.com**

STOCK EXCHANGE RELEASES IN 2016

December 22, 2016	Dovre Group Plc – Managers' Transactions
October 27, 2016	Dovre Group's financial reporting in 2017
October 27, 2016	Dovre Group Trading Statement January 1 – September 30, 2016
July 28, 2016	Dovre Group half year financial report January 1 – June 30, 2016
April 28, 2016	Dovre Group Trading Statement January 1 – March 31, 2016
March 17, 2016	Decisions of the Annual General Meeting of Dovre Group Plc
March 8, 2016	Dovre Group's Annual Report 2015 published
March 8, 2016	Amendment to the shareholders' proposal to the Annual General Meeting of Dovre Group Plc on March 17, 2016, concerning the election of the members of the Board Directors
March 8, 2016	Dovre Group Plc's listing prospectus concerning the listing of the company's new shares issued as direct issue approved
February 23, 2016	Dovre Group's financial statements for 2015 released
February 18, 2016	Notice of the Annual General Meeting of Dovre Group Plc
February 18, 2016	Dovre Group Interim Report January 1 – December 31, 2015
February 8, 2016	Invitation to Dovre Group's briefing on financial statements 2015
January 29, 2016	Advance information on Dovre Group's financials for 2015

All stock exchange releases are available on the company's website at **www.dovregroup.com > Investors**

REPORT OF THE BOARD
OF DIRECTORS
JAN. 1-DEC. 31, 2016

1. REPORT OF THE BOARD OF DIRECTORS

KEY FIGURES

EUR MILLION	2016	2015 *)	CHANGE %
Net sales	83.8	115.9	-27.7
Operating result	0.0	-0.9	100.5
% net sales	0.0 %	-0.7 %	
Result	-1.7	-2.0	17.0
% of net sales	-2.0 %	-1.7 %	
Net cash flow from operations	0.6	2.0	-71.7
Net debt	-4.7	-5.2	-9.3
Debt-equity ratio (Gearing), %	-18.3 %	-19.1 %	-4.2
Earnings per share, EUR:			
Undiluted	-0.02	-0.02	29.7
Diluted	-0.02	-0.02	29.4

*) In 2015, the Group's operating result includes a total of EUR 1.9 million consisting of costs relating to external advisory services and restructuring, both due to the merger with NPC, and a loss on disposal of the Group's consulting business in Sweden.

BUSINESS PERFORMANCE

The year 2016 was the decade's most challenging in the Project Personnel business area. Volumes and margins decreased significantly in H1 and the decline continued in H2, although more gradually. However, our net sales actually grew in Q4 compared to the previous quarter. This gives hope that the market has now reached the bottom. We expect demand to take a turn for the better during 2017.

The business environment for project personnel services in upstream oil and gas is cut-throat. We continued to reshape Dovre Group in order to be fit for the market. We have made significant progress in de-risking, diversification and cost saving. Our dependence on our three main clients has decreased significantly and our client portfolio is considerably more robust and balanced. Thanks to diversification, our dependence on oil and gas projects has clearly diminished. Already approximately 40% of our volumes comes from other client segments, i.e. energy, infrastructure and industry projects. We continued cutting fixed costs. Our annual expenses are now approximately EUR 3 million lower than a year ago.

Investment in client acquisition is paying off. In 2016, we signed over 20 frame agreements, five of which were published: Pöyry Group, Lundin Norway, Statoil, Norske Shell, and the Norwegian Aker BP. The other remain confidential at the request of our clients. The majority of the frame agreements were outside oil and gas.

Our Consulting business had a strong year. Profitability remained high in Norway and improved significantly in Finland.

We will invest even more in sales. We want to be our clients' project partner in their large investment projects. We continue streamlining and digitalizing our work processes.

NET SALES AND PROFITABILITY

In 2016, Dovre Group's net sales decreased by 27.7%, totaling EUR 83.8 (115.9) million. Project Personnel accounted for 92 (94) % and Consulting for 8 (6) % of the Group's net sales. Net sales for Project Personnel decreased 29.3%, totaling EUR 76.9 (108.8) million. Net sales for Consulting decreased by 2.9%, totaling EUR 6.9 (7.1) million. The decline in net sales in the Consulting business area was primarily due to the sale of the Group's consulting business in Sweden, which was not part of the Group's core business, in Q4/2015. In 2015, the Group's net sales including NPC (pro forma) would have been EUR 140 million.

By market area, EMEA's (Finland, Norway, the Middle East, and Sweden in 2015) net sales totaled EUR 53.4 (68.1) million, accounting for 64 (59) % of the Group's net sales. Net sales for AMERICAS (Canada and the US) were EUR 16.9 (30.6) million, accounting for 20 (26) % of the Group's net sales.

Net sales for APAC (Singapore, Russia (Sakhalin), and Korea) were EUR 13.5 (17.2) million, accounting for 16 (15) % of the Group's net sales.

In 2016, the Group's operating result was EUR 0.0 (-0.9) million, which is 0.0 (-0.7) % of the Group's net sales. Project Personnel's operating result was EUR 0.6 (1.0) million. Consulting business area's operating result was EUR 1.0 (0.8) million. The operating result of the Group's Other functions was EUR -1.2 (-1.9) million.

In 2015, Project Personnel's operating result included a total of EUR 0.8 million of restructuring costs and Other functions' operating result a total of EUR 0.5 million of costs relating to external advisory services, both due to the Group's merger with NPC. The Group's unallocated items included a loss on disposal of the Group's consulting business in Sweden in 2015, approximately EUR 0.4 million in total.

The Group's result before taxes were EUR -1.5 (-1.8) million, including EUR -0.7 (0.3) million in finance items. Majority of the financing costs were due to foreign exchange losses that arose in connection with the closure of a cash pool in Norway. The result also includes the Group's share, EUR -0.8 (-1-3) million, of the result of the Group's joint venture SaraRasa Bioindo Pte Ltd.

The Group's result after taxes were EUR -1.7 (-2.0) million. The Group's earnings per share was EUR -0.02 (-0.02). The Group's return on average capital employed before taxes (ROI) was -4.2 (-6.1) %.

CASH FLOW, FINANCING, AND INVESTMENTS

On December 31, 2016, the Group balance sheet total was EUR 42.8 (52.0) million. The Group's cash and cash equivalent totaled EUR 8.3 (10.9) million. In addition, the parent company and the subsidiaries have unused credit limits.

On December 31, 2016, the equity ratio was 60.3 (52.5) % and the debt-equity (gearing) -18.3 (-19.1) %. The interest-bearing liabilities amounted to EUR 3.6 (5.7) million, accounting for 8.4 (10.9) % of the Group's shareholders' equity and liabilities. A total of EUR 1.9 (3.4) million of the Group's interest-bearing liabilities were current and a total of EUR 1.7 (2.3) million non-current.

Net cash flow from operating activities was EUR 0.6 (2.0) million, which includes EUR 0.8 (1.5) million change in working capital.

Net cash flow from investing activities was EUR -0.3 (-0.2) million. Gross investments totaled EUR 0.3 (2.1) million, which were to the Group's joint venture SaraRasa Bioindo Pte. Ltd. The merger with NPC is not included in the 2015 gross investments.

Net cash flow from financing activities was EUR -3.2 (-0.8) million. The Group paid back loans a total of EUR -2.2 (4.2) million. During the period under review, the Group paid a total of EUR 1.0 (5.1) million in dividends.

The balance sheet goodwill totaled EUR 16.2 (15.6) million on December 31, 2016. No indications of impairment exist.

SARARASA

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 sustainable waste materials. 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.

In May 2016, Bioindo, Bioindo's wholly owned subsidiary SaraRasa Sinergy and a local Indonesian operator signed a shareholders' agreement as a result of which Bioindo's holdings in SaraRasa Sinergy shall decrease to 70%. The implementation of the shareholders' agreement signed in May 2016 had not yet been completed by December 31, 2016.

Bioindo's Indonesian production unit was granted a legality certificate under the state of Indonesia's timber legality assurance system (SVLK) in Q2/2016. The certificate, issued by an independent assessment body, certifies that the raw material used at the production plant, its origin, and processing meet the applicable national legality requirements. The certificate enables Bioindo to market its pellet production in, for example, Japan and Korea, who both recognize the SVLK certificate as a proof of the legality of the pellets' origin.

Dovre Group's investment in Bioindo is not part of the Group's core business.

RESEARCH AND DEVELOPMENT

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

PERSONNEL

In 2016, the average number of personnel employed by the Group was 543 (649). Project Personnel employed 498 (599), Consulting 40 (45) and Other functions 5 (5).

On December 31, 2016, Dovre Group employed 462 (714) people, 420 (670) of which were employed by Project Personnel, 37 (39) by Consulting and 5 (5) by Other functions. In the Project Personnel business area, 27 (28) % of employees were independent contractors.

In 2016, the Group's personnel expenses were EUR 75.6 (103.5) million.

GROUP EXECUTIVE TEAM

On December 31, 2016, the Group Executive Team consisted of Patrick von Essen (CEO), Heidi Karlsson (CFO), Stein Berntsen (President, Business Area Consulting), Arve Jensen (President, Business Area Norway), Ole Olsen (President, Business Area Asia Pacific), and Frank Ween (President, Business Area Americas & EMEA). As a result of the Group's merger with NPC in 2015, Olsen and Ween are, through their respective controlled companies, also Dovre Group Plc's largest individual shareholders.

BOARD OF DIRECTORS

Dovre Group Plc's Annual General Meeting, held on March 17, 2016, decided that the number of Board members be set at four (4). Rainer Häggblom and Ilari Koskelo were re-elected as members of the Board, and Christian Bull Eriksson and Louis Harrewijn were elected as new members of the Board. In its first meeting after the Annual General Meeting, the Board of Directors re-elected Rainer Häggblom as the Board's Chairman.

The Annual General Meeting 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. In addition, reasonable travel expenses are also compensated. Out of the annual compensation, 40% of the total gross compensation will be used to purchase Dovre Group Plc's shares on regulated market in trading through Nasdaq Helsinki Ltd, or alternatively by using the own shares held by the company. The total amount of the annual compensation paid to Board members or the method of payment did not change from the previous year.

SHARES, SHAREHOLDERS, AND STOCK OPTIONS

SHARE CAPITAL AND TRADING

On December 31, 2016, Dovre Group's share capital was EUR 9,603,084.48 and the total number of shares 99,868,769. There were no changes in the Group's share capital during the financial year.

In January – December 2016, approximately 13.1 (17.6) million Dovre Group shares were exchanged on the Nasdaq Helsinki Ltd., corresponding to a trade of approximately EUR 3.9 (8.2) million. The lowest quotation was EUR 0.26 (0.33) and the highest EUR 0.36 (0.57). The share officially closed at EUR 0.29 (0.34) on the last trading day of the year. The year-end market capitalization was approx. EUR 29.0 (34.0) million.

SHAREHOLDERS

On December 31, 2016, the number of registered shareholders of Dovre Group Plc totaled 3,368 (3,559), including 8 (8) nominee-registers. Of the Group's shares, 0.3 (0.2) % were nominee-registered at the end of the financial year.

STOCK OPTIONS

Dovre Group has two option plans, 2010 and 2013. Each stock option entitles the holder to subscribe one share in Dovre Group Plc.

The share subscription period and price per series under the 2010 option plan are as follows:

- 2010C: Subscription price EUR 0.27; subscription period March 1, 2014 – February 28, 2017.

The subscription period for Dovre Group Plc's 2010B option plan ended on February 28, 2016. No shares were subscribed for under the option plan. The remaining 395,000 stock options expired as unused. At the end of the period under review, a total of 570,000 stock options were outstanding under the 2010 option plan.

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 0.44; 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 235,000 stock options were returned to the company. At the end of the period under review, the company had granted a total of 2,450,000 options under the 2013 option plan and had in reserve a total of 550,000 options.

HOLDINGS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

On December 31, 2016, members of the Group's Board of Directors and the CEO held, including holdings through controlled companies, a total of 5,103,408 (5,190,758) shares in the company, representing 5.1 (5.2) % of all shares.

On December 31, 2016, the members of the Board of Directors held directly a total of 3,671,408 (3,395,968) shares, representing approximately 3.7 (4.3) % of all shares and votes. Taking into account ownership through controlled companies, the members of the Board of Directors held a total of 4,971,408 (5,060,758) shares, representing approximately 5.0 (5.1) % of all shares and votes.

On December 31, 2016, the Group's CEO held a total of 132,000 shares, representing approximately 0.1% of all shares and votes.

Members of the Board of Directors held no stock options on December 31, 2016. The Group's CEO held a total of 675,000 stock options granted under the 2013A, 2013B, and 2013C option plans.

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

Dovre Group Plc's Annual General Meeting held on March 17, 2016, adopted the financial statements and consolidated financial statements for 2015 and discharged the members of the Board of Directors and the CEO from liability for the financial year ending on December 31, 2015. 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 2015. The Annual General Meeting re-elected the Authorized Public Accountant firm Ernst & Young Ltd as the Company's auditor, with APA Mikko Järventausta continuing as the Company's principal auditor.

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, 2017 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, 2017. The authorization revokes earlier authorizations to issue shares and grant option rights and other special rights entitling to shares.

The Board of Directors did not use the authorizations granted by the Annual General Meeting held on March 17, 2016, during the financial year.

OTHER EVENTS

Dovre Group Plc's listing prospectus concerning the listing of a total of 36,453,018 new shares in the company, issued as direct issue as part of the acquisition of NPC in May 2015, was approved by the Finnish Financial Supervisory Authority on March 8, 2016. The shares were listed on the official list of Nasdaq Helsinki Ltd on March 10, 2016. The shares are subject to a three (3) year lock-up period from the date of issue, lasting until May 28, 2018.

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 2016 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 > Investors**.

SHORT-TERM RISKS AND UNCERTAINTIES

In the Project Personnel business area, the Group's most significant risks include cost cuttings by and reduced investment budgets for oil and gas clients. As a result of the merger with NPC, Project Personnel's market share in the Norwegian market has increased and market developments in Norway are increasingly important for the business area. 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. 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 countercyclically. 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 waste material. 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. Bioindo's financial information involves certain uncertainties, because the implementation of the shareholders' agreement between Bioindo, Bioindo's subsidiary SaraRasa Sinergy Pte. Ltd. and a local Indonesian operator is still ongoing.

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 2017

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, market outlook has improved slightly. However, there are no guarantees that the market is on a growth path. Nevertheless, due to new frame agreements and cost savings that have already been implemented we expect operating result to improve from 2016.

In the Consulting business area, market outlook remains unchanged.

We expect the Group's operating result to improve compared to 2016.

EVENTS AFTER THE FINANCIAL YEAR

On February 15, 2017, Dovre Group released a stock exchange bulletin concerning a change in the Group's executive team. Frank Ween, member of Dovre Group's executive team and President of the Group's business area Americas & EMEA, has decided to step down from his operative position at Dovre Group. The change is effective as of March 1, 2017. Patrick von Essen, the Group's CEO, takes over from Ween as the acting President of the business area.

A total of 300,000 new shares in Dovre Group Plc were subscribed for with the company's 2010C stock option series on February 15, 2017. The Board of Directors of Dovre Group Plc approved the subscription on February 22, 2017. The new shares will be entered in the Finnish trade register and trading with the new shares alongside the company's old shares will commence in Nasdaq Helsinki Ltd before the company's Annual General Meeting, which is to be held on March 30, 2017. After the registration, there are a total of 100,168,769 shares in the company. The total subscription price, EUR 81,000.00, has been recorded in the company's reserve for non-restricted equity.

BOARD OF DIRECTORS' PROPOSAL FOR DIVIDEND

The parent company's distributable funds were EUR 24,152,536.41 on December 31, 2016. The Board of Directors proposes to the Annual General Meeting to be held on March 30, 2017 that a dividend of EUR 0.01 per share to be paid, corresponding to EUR 1,001,687.69. The amount includes the new shares fully paid and subscribed for with the 2010C option series on February 15, 2017. The Board of Directors further proposes that the dividend is paid to a shareholder who on the record date April 3, 2017 is registered as a shareholder in the company's shareholder register maintained by Euroclear Finland Ltd and that the dividend be paid on April 12, 2017. 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 22, 2017

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, 2016	JAN. 1.–DEC. 31, 2015
NET SALES	3	83,810	115,947
Other operating income	5	178	47
Material and services	6	-118	-161
Employee benefits expense	7	-75,617	-103,546
Depreciation and amortization	8	-578	-538
Other operating expenses	9	-7,670	-12,608
OPERATING RESULT		4	-858
Financing income	10	77	768
Financing expenses	10	-780	-456
Share of results in joint ventures	16	-846	-1,295
RESULT BEFORE TAX		**-1,545**	**-1,841**
Tax on income from operations	11	-124	-171
RESULT FOR THE PERIOD		**-1,669**	**-2,012**
Other comprehensive income			
Items which may be subsequently reclassified to profit and loss:			
Translation differences		1,097	-1,808
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**-572**	**-3,820**
Earnings per share calculated from profit attributable to shareholders of the parent company:			
Earnings per share, undiluted (EUR), result for the period	12	**-0.02**	**-0.02**
Earnings per share, diluted (EUR), result for the period	12	**-0.02**	**-0.02**
Average number of shares:			
Undiluted	12	99,868,769	84,655,012
Diluted	12	99,932,539	84,979,307

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR THOUSAND	NOTE	DEC. 31, 2016	DEC. 31, 2015
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	13	3,696	3,882
Goodwill	14	16,198	15,588
Tangible assets	15	966	997
Investments in joint ventures	16	304	1,029
Trade receivables and other receivables	17	95	41
Deferred tax asset	18	193	308
NON-CURRENT ASSETS		**21,451**	**21,845**
CURRENT ASSETS			
Trade receivables and other receivables	19	12,957	19,256
Tax receivable, income tax		73	37
Cash and cash equivalents		8,313	10,902
CURRENT ASSETS		**21,343**	**30,195**
TOTAL ASSETS		**42,794**	**52,040**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	20	9,603	9,603
Reserve for invested non-restricted equity	20	12,219	12,219
Revaluation reserve	20	2,869	2,869
Translation differences		-1,605	-2,701
Retained earnings		2,729	5,339
SHAREHOLDERS' EQUITY		**25,815**	**27,329**
NON-CURRENT LIABILITIES			
Deferred tax liability	18	903	1,012
Other non-current liabilities	22	1,673	2,291
Non-current provisions	25	152	292
NON-CURRENT LIABILITIES		**2,728**	**3,595**
CURRENT LIABILITIES			
Short-term liabilities, interest-bearing	23	1,928	3,432
Trade payables and other liabilities	24	11,855	17,023
Tax liability, income tax		132	235
Current provisions	25	336	425
CURRENT LIABILITIES		**14,251**	**21,116**
TOTAL EQUITY AND LIABILITIES		**42,794**	**52,040**

CONSOLIDATED STATEMENT OF CASH FLOWS, IFRS

EUR THOUSAND	NOTE	2016	2015
Cash flow from operating activities			
Operating result, continuing operations		4	-858
Adjustments:			
Depreciation/amortization	9	578	538
Loss on disposal of investment	10, 15	0	381
Personnel expenses	8	104	140
Restructuring provision	25	0	745
Adjustments, total		**682**	**1,804**
Changes in working capital:			
Trade and other receivables, increase (-) / decrease (+)		7,143	5,217
Trade and other payables, increase (+) / decrease (-)		-6,314	-3,763
Changes in working capital, total		**829**	**1,454**
Interest paid		-120	-79
Interest received		34	54
Other financial expenses paid and received		-557	148
Income taxes paid		-305	-521
Net cash generated by operating activities		**567**	**2,002**
Cash flow from investing activities			
Acquisition of subsidiaries less cash and cash equivalents		0	554
Investments in tangible and intangible assets		-109	-23
Proceeds from sale of tangible assets		0	12
Purchase of shares in joint ventures		-124	-371
Increase (-) / decrease (+) in loans receivable		-89	-324
Net cash generated by investing activities		**-322**	**-152**
Cash flow from financing activities			
Stock options exercised		0	44
Proceeds from non-current loans		0	3,000
Repayments of non-current loans		-600	-150
Proceeds from short-term loans		687	2,264
Repayments of short-term loans		-2,294	-867
Dividends paid		-999	-5,073
Net cash generated by financing activities		**-3,206**	**-782**
Translation differences		372	-509
Change in cash and cash equivalents		**-2,589**	**559**
Cash and cash equivalents at the beginning of the period		10,902	10,343
Cash and cash equivalents at the end of the period		**8,313**	**10,902**

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	TRANSLATION DIFFERENCES	RETAINED EARNINGS	TOTAL EQUITY
SHAREHOLDERS' EQUITY Jan. 1, 2015	**9,603**	**463**	**0**	**-891**	**12,285**	**21,460**
Comprehensive income						
Result for the period					-2,012	-2,012
Other comprehensive income						
Items that may be reclassified to profit and loss in subsequent periods:						
Translation differences				-1,809	1	-1,808
Total comprehensive income	**0**	**0**	**0**	**-1,809**	**-2,011**	**-3,820**
Transactions with shareholders						
Merger with NPC		11,712	2,869			14,581
Share based compensation					138	138
Stock options exercised		44				44
Dividend distribution					-5,073	-5,073
Total transactions with shareholders	**0**	**11,756**	**2,869**	**0**	**-4,935**	**9,690**
SHAREHOLDERS' EQUITY Dec. 31, 2015	**9,603**	**12,219**	**2,869**	**-2,701**	**5,339**	**27,329**

	Equity attributable to the shareholders of the parent					
EUR THOUSAND	SHARE CAPITAL	RESERVE FOR INVESTED NON-RESTRICTED EQUITY	FAIR VALUE RESERVE	TRANSLATION DIFFERENCES	RETAINED EARNINGS	TOTAL EQUITY
SHAREHOLDERS' EQUITY Jan. 1, 2016	**9,603**	**12,219**	**2,869**	**-2,701**	**5,339**	**27,329**
Comprehensive income						
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
Total comprehensive income	**0**	**0**	**0**	**1,096**	**-1,668**	**-572**
Transactions with shareholders						
Share based compensation					57	57
Dividend distribution					-999	-999
Total transactions with shareholders	**0**	**0**	**0**	**0**	**-942**	**-942**
SHAREHOLDERS' EQUITY Dec. 31, 2016	**9,603**	**12,219**	**2,869**	**-1,605**	**2,729**	**25,815**

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 Nasqad Helsinki Ltd (symbol DOV1V).

Dovre Group's Board of Directors has approved these financial statements for publication in its meeting on February 22, 2017. 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** 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, 2016 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, 2016, the Group has adopted the following revised, and amended IFRS standards with the effective date of January 1, 2016: IAS 1 *Presentation of Financial Statements* (amended), IFRS 11 *Joint Arrangements* (amended), IAS 38 *Intangible Assets* (amended), and *Annual Improvements to IFRSs 2012–2014 Cycle*.

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.

The allocation of the result for the period between the shareholders of the parent company and non-controlling interest is disclosed in the income statement. The share of equity of non-controlling interest is presented as a separate line item in the statement of financial position. The share of non-controlling interest is not disclosed in the statement of financial position, if the parent company or its subsidiary has a call option or other agreement, which gives the Group present access to financial benefits associated with the ownership.

For business combinations achieved in stages, previous shareholdings are re-measured to fair value and any gains or losses arising are recognized in profit and loss. When the Group ceases to have control in a subsidiary, the remaining investment is measured to its fair value on the date when control is lost, with the change recognized in profit and loss. Acquisitions that took place prior to January 1, 2010 have been treated in accordance with standards applicable at the time.

Associates and joint ventures

Associates are entities over which the Group has significant influence. Significant influence arises when the Group controls more than 20% of the entity's voting rights or when the Group otherwise has significant influence but no control. Joint ventures are entities where material decisions about the relevant activities require unanimous consent of the parties sharing control. Associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. Investments in associates or joint ventures include goodwill arising from the acquisition.

The Group's share of results in associates and 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 associates and joint ventures are not continuous to the Group's operations. The Group's share of changes in the associates' and 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. In accordance with IAS 21.15, the Group recognizes exchange rate differences arising from receivables classified as part of the Group's net investment in a foreign subsidiary in other comprehensive income.

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 position 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 is expensed as incurred. Dovre Group has not capitalized development costs in 2015 or 2016.

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.

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 following 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

The Group hedges foreign currency denominated receivables and liabilities with different currency forward and option contracts. Derivatives are initially recognized at fair value on the date of contract in other receivables or payables on the statement of financial position. Outstanding derivatives are subsequently remeasured at their fair value at the end of each reporting period and the resulting gain or loss is immediately recognized in the income statement 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. Dovre Group does not apply hedge accounting.

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.

As of January 1, 2017, the Group will adopt 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.

IASB has released three new standards – IFRS 9 *Financial Instruments*, IFRS 15 *Revenues from Contracts with Customers*, 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* is not estimated to have a material impact on the Group's consolidated financial statements, because the majority of the Group's sales are based on hourly or daily invoicing. The Group is currently evaluating the impact of IFRS 9 *Financial Instruments*. IFRS 16 *Leases* is expected to have a material impact on the Group.

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, primarily in the oil and gas industry.
- 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	2016	% OF NET SALES	2015	% OF NET SALES
Project Personnel	76,882	91.7 %	108,813	93.8 %
Consulting	6,928	8.3 %	7,134	6.2 %
Total	**83,810**	**100.0 %**	**115,947**	**100.0 %**

Distribution of net sales by revenue type

EUR THOUSAND	2016	% OF NET SALES	2015	% OF NET SALES
Services	83,431	99.5 %	115,397	99.5 %
One-time license revenue	199	0.2 %	207	0.2 %
Recurring license revenue	180	0.2 %	342	0.3 %
Total	**83,810**	**100.0 %**	**115,947**	**100.0 %**

Geographical division of net sales by location of assets

EUR THOUSAND	2016	% OF NET SALES	2015	% OF NET SALES
Finland	3,185	3.8 %	1,723	1.5 %
Norway	47,772	57.0 %	59,814	51.6 %
Canada	13,547	16.2 %	22,034	19.0 %
Singapore	11,673	13.9 %	12,668	10.9 %
Other	7,633	9.1 %	19,708	17.0 %
Total	**83,810**	**100.0 %**	**115,947**	**100.0 %**

The Group has two major customers, each of which accounts for more than 10% of the Group's net sales. In 2016, the Group's income from these customers was approximately EUR 20 million (approx. EUR 42 million in 2015) and is mainly included in the Project Personnel business area.

OPERATING RESULT

EUR THOUSAND	2016	2015	CHANGE %
Project Personnel	585	969	-39.6 %
Consulting	954	827	15.3 %
Other functions	-1,199	-1,880	36.2 %
Unallocated	-336	-774	56.7 %
Total	**4**	**-858**	**100.5 %**

In 2015, Project Personnel's operating result included a total of EUR 0.8 million of restructuring costs and Other functions' operating result a total of EUR 0.5 million of costs due to external advisory services, both relating to the Group's merger with NPC. Unallocated items included loss on disposal of the Group's consulting business in Sweden in 2015, approximately EUR 0.4 million in total.

PERSONNEL

AVERAGE NUMBER OF PERSONNEL	2016	2015
Project Personnel	498	599
Consulting	40	45
Other functions	5	5
Total	**543**	**649**

In the Project Personnel business area, 27 (28) % of employees were independent contractors.

NON-CURRENT ASSETS

EUR THOUSAND	2016	2015
Finland	1,734	2,316
Norway	1,616	1,757
Singapore	508	512
Canada	28	55
Other	3	13
Trademark	1,494	1,368
Goodwill	16,198	15,588
Total	**21,580**	**21,608**

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

4. ACQUISITIONS

Acquisitions in 2016

The Group made no aqcuisitions in 2016.

Acquisitions in 2015

Norwegian Petroleum Consulting Group AS

On May 28, 2015, Dovre Group Plc acquired 100% of the shares in Norwegian Petroleum Consulting Group AS (NPC), a privately held company registered in Norway and providing staffing services to the oil and gas industry. In exchange, Dovre Group gave NPC's owners a total of 36,453,018 new shares in Dovre Group and a cash component of EUR 410,300. A total of EUR 237,500 of the cash component was paid on May 28, 2015, and the remainder, EUR 172,800, on September 30, 2015. The acquired business has been consolidated into the Group's Project Personnel business area as of May 28, 2015.

The goodwill arising from the acquisition, EUR 10.5 million in total, relates to the strengthening of Dovre Group's market position globally and in particular in the Norwegian market as well as acquisition synergies. Merger related costs savings are estimated to be around EUR 1 million annually in value, and their full effect has been estimated from the beginning of 2016. None of the goodwill recognized is deductible for income tax purposes.

The fair value (EUR 14.6 million) of the new shares in Dovre Group Plc issued as part of the consideration paid for NPC (36,453,018 in total) was measured using the market price of Dovre Group's ordinary shares on the acquisition date (EUR 0.46) less the extra dividend distributed as part of the transaction (EUR 0.06 per share).

Acquisition-related costs, EUR 445 thousand in total, which were due to external advisory and expert services, have been included in other operating expenses in the consolidated income statement.

As of the acquisition date, the consolidated statement of comprehensive income includes net sales of EUR 31.4 million and result for the period of EUR 492 thousand contributed by the acquired business. The result for the period includes restructuring costs allocated to NPC entities, EUR 453 thousand in total, including taxes.

Had the acquisition taken place on January 1, 2015, the consolidated statement of comprehensive income would have included net sales of EUR 54.8 million and result for the period of EUR 346 thousand. The result for the period includes restructuring costs allocated to NPC entities.

The book values of the trade receivables and trade payables acquired correspond to their fair values. The purchase price allocation on May 28, 2015 was preliminary because the acquisition was completed shortly before the end of Q2. The final allocation was done during the second half of the year. In the final allocation, the sum total of net assets acquired decreased by EUR 16 thousand, while the goodwill arising from the acquisition increased by EUR 16 thousand. The changes had no impact on the purchase price.

Summary of acquisition items on May 28, 2015:

EUR THOUSAND	FAIR VALUE
Cash consideration	410
Equity instruments (36,453,018 new shares in Dovre Group Plc)	14,581
Total	**14,991**
Intangible assets	4,078
Tangible assets	77
Trade and other receivables	10,983
Cash and cash equivalents	965
Deferred tax liabilities	-1,002
Interest-bearing liabilities	-256
Trade payables and other liabilities	-10,317
Total net assets acquired	4,528
Goodwill	10,463
Total	**14,991**

5. OTHER OPERATING INCOME

EUR THOUSAND	2016	2015
Rents	66	30
Other operating income	112	17
Total	**178**	**47**

6. MATERIAL AND SERVICES

EUR THOUSAND	2016	2015
License fees	-81	-95
External services	-38	-67
Total	**-118**	**-161**

7. EMPLOYEE BENEFITS EXPENSE

EUR THOUSAND	2016	2015
Salaries and fees	-70,305	-96,985
Pension expenses, defined contribution plans	-1,141	-1,255
Share options granted to employees *)	-57	-138
Other employee benefits	-4,113	-5,167
Total	**-75,617**	**-103,546**

*) Notes information on share-based compensation is presented in note 21 Share-based Compensation.

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

8. DEPRECIATION AND AMORTIZATION

EUR THOUSAND	2016	2015
Amortization according to plan, intangible assets	-473	-433
Depreciation according to plan, tangible assets	-105	-105
Total	**-578**	**-538**

9. OTHER OPERATING EXPENSES

EUR THOUSAND	2016	2015
Premises	-811	-1 356
Marketing	-172	-276
Travel	-4,536	-7,195
Administration and other operating expenses	-2,151	-3,781
Total	**-7,670**	**-12,608**

RESEARCH AND DEVELOPMENT

EUR THOUSAND	2016	2015
Research and development expenses on the balance sheet	-106	-117
Total	**-106**	**-117**

AUDITOR FEES

EUR THOUSAND	2016	2015
External audit	-217	-253
Other services referred to in the Finnish Auditing Act	-4	-8
Tax consultancy	-52	-70
Other professional services	-69	-126
Total	**-342**	**-457**

10. FINANCING INCOME AND EXPENSES

FINANCING INCOME

EUR THOUSAND	2016	2015
Foreign exchange gains	42	686
Other interest and financing income	35	82
Financing income, total	**77**	**768**

FINANCING EXPENSES

EUR THOUSAND	2016	2015
Foreign exchange losses	-553	-304
Other interest and financing expenses	-227	-152
Financing expenses, total	**-780**	**-456**

Financing income and expenses, total	-703	313

11. INCOME TAX

EUR THOUSAND	2016	2015
Tax on income from operations	-191	-611
Tax expense for prior years	26	0
Change in deferred tax assets and liabilities (Note 18)	40	440
Total	**-124**	**-171**

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	2016	2015
Result before tax	-1,547	-1,841
Income tax expense at Finnish statutory rate	**309**	**368**
Effect of different tax rates in foreign subsidiaries	22	-39
Income that is exempt from taxation and expenses that not deductible:		
Share of results in joint ventures	-169	-259
Expenses relating to advisory services due to acquisition, amortized in the parent company	0	-84
Sale of business in Sweden, allocation of goodwill against purchase price	0	-87
Other income and expenses	-36	-29
Changes in corporate tax rates	21	50
Unrecognized tax benefits for losses for the period	-192	-106
Deferred tax liability for undistributed earnings	-35	0
Previously unrecognized and unused tax losses	21	20
Tax expense for prior periods	26	0
Impairment loss on deferred tax assets	-123	0
Other items	32	-5
Income tax in the consolidated statement of income	**-124**	**-171**

12. 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	2016	2015
Result attributable to the shareholders of the parent (EUR thousand)	-1,669	-2,012
Weighted average number of shares during the financial year (1,000)	99,869	84,655
Undiluted earnings per share (EUR / share)	**-0.02**	**-0.02**

UNDILUTED COMPREHENSIVE EARNINGS PER SHARE	2016	2015
Comprehensive result attributable to the shareholders of the parent (EUR thousand)	-572	-3,820
Weighted average number of shares during the financial year (1,000)	99,869	84,655
Undiluted comprehensive earnings per share (EUR / share)	**-0.01**	**-0.05**

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 calcualted 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	2016	2015
Result attributable to the shareholders of the parent (EUR thousand)	-1,669	-2,012
Weighted average number of shares during the financial year (1,000)	99,869	84,655
Stock option adjustment (1,000)	64	324
Weighted average number of shares for calculating the diluted earnings per share (1,000)	99,933	84,979
Diluted earnings per share (EUR / share)	**-0.02**	**-0.02**

DILUTED COMPREHENSIVE EARNINGS PER SHARE	2016	2015
Comprehensive result attributable to the shareholders of the parent (EUR thousand)	-572	-3,820
Weighted average number of shares during the financial year (1,000)	99,869	84,655
Stock option adjustment (1,000)	64	324
Weighted average number of shares for calculating the diluted earnings per share (1,000)	99,933	84,979
Diluted comprehensive earnings per share (EUR / share)	**-0.01**	**-0.04**

13. 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, 2016, the item's carrying amount was EUR 2,032 thousand and its amortization period 8.4 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 2016 EUR THOUSAND	CUSTOMER AGREEMENTS AND RELATIONS	TRADEMARK	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
Book value, Dec. 31, 2016	**2,060**	**1,428**	**209**	**3,696**

INTANGIBLE ASSETS 2015 EUR THOUSAND	CUSTOMER AGREEMENTS AND RELATIONS	TRADEMARK	OTHER INTANGIBLE ASSETS	TOTAL
Acquisition cost, Jan. 1	997	0	631	1,628
Translation differences (+/-)	-284	-145	3	-426
Additions	2,565	1,513	0	4,078
Disposals	-279	0	0	-279
Acquisition cost, Dec. 31	2,999	1,368	634	5,001
Accumulated amortization and value adjustments, Jan. 1	-776	0	-163	-939
Translation differences (+/-)	33	0	-3	30
Accumulated amortization from disposals	222	0	0	222
Amortization charges for the period	-239	0	-193	-432
Accumulated amortization and value adjustments, Dec. 31	-760	0	-359	-1,119
Book value, Dec. 31, 2015	**2,239**	**1,368**	**275**	**3,882**

14. GOODWILL

EUR THOUSAND	2016	2015
Acquisition cost, Jan. 1	15,588	6,645
Translation differences (+/-)	610	-1,142
Acquisitions through business combinations	0	10,463
Disposals of businesses	0	-379
Book value, Dec. 31	**16,198**	**15,588**

GOODWILL BY CASH GENERATING UNIT EUR THOUSAND	2016	2015
Project Personnel	15,486	14,853
Consulting, Finland	484	484
Consulting, Norway	228	251
Total	**16,198**	**15,588**

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, 2016 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 and Sweden the other cash generating unit. The Group sold its consulting business in Sweden in November 2015, in connection with which EUR 0.4 million of the goodwill of the cash generating unit was allocated to the business in Sweden. 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 2016, the discount rate used was 10.40% (10.40% in 2015). The discount rate before tax per unit varied between 12.79% and 12.94%.

Key variables used in testing are net sales growth rate and EBIT %, which are based on the Group's budget for 2017 and long term calculations as approved by the Board of Directors. For the projection period 2018-2021, 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, 2016. The business area's market situation has been challenging and the management expects it to remain challenging also in 2017. 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 11%. Profitability is expected to improve steadily with growing net sales. The average EBIT % during the projection period is 3%. Based on the calculations, the unit's recoverable amount exceeds its carrying amount by 16%. 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 1.5% 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 2017. 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 2017. The amount of goodwill to be tested is small compared to the recoverable amount.

15. TANGIBLE ASSETS

TANGIBLE ASSETS 2016 EUR THOUSAND	LAND	BUILDINGS	MACHINERY AND EQUIPMENT	OTHER 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
Book value, Dec. 31, 2016	**240**	**603**	**77**	**45**	**966**

TANGIBLE ASSETS 2015 EUR THOUSAND	LAND	BUILDINGS	MACHINERY AND EQUIPMENT	TOTAL
Acquisition cost, Jan. 1	0	0	671	671
Translation differences (+/-)	0	0	-16	-16
Acquisitions through business combinations	0	0	77	77
Additions	0	0	18	18
Transfer from assets held for sale	240	650	0	890
Disposals	0	-12	-51	-63
Acquisition cost, Dec. 31	240	638	699	1,577
Accumulated depreciation and value adjustments, Jan. 1	0	0	-534	-534
Translation differences (+/-)	0	0	8	8
Accumulated depreciation from disposals	0	0	51	51
Depreciation charges for the period	0	-18	-88	-106
Accumulated depreciation and value adjustments, Dec. 31	0	-18	-563	-581
Book value, Dec. 31, 2015	**240**	**620**	**137**	**997**

Shares in Kiinteistö Oy Kuukoti, which were presented as assets held for sale in accordance with IFRS 5 on December 31, 2014, were reclassified as tangible assets during 2015. The asset was divided into land and buildings. The parent company presents the shares in Kiinteistö Oy Kuukoti as shares in associates (see parent company note 11).

16. INVESTMENTS IN JOINT VENTURES

EUR THOUSAND	2016	2015
At the beginning of the financial year	1,029	521
Additions	124	2,078
Disposals	0	-352
Share of profit and loss in joint ventures	-846	-1,295
Translation differences	-3	77
At the end of the financial year	**304**	**1,029**

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 sustainable waste materials. 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.

In May 2016, Bioindo, Bioindo's wholly owned subsidiary SaraRasa Sinergy and a local Indonesian operator signed a shareholders' agreement as a result of which Bioindo's holdings in SaraRasa Sinergy shall decrease to 70%. The implementation of the shareholders' agreement was pending on December 31, 2016. Therefore, Bioindo's financial information involves certain uncertainties. Dovre Group has not taken into account the effects of the shareholders' agreement in calculating the Group's share of profit and loss in joint ventures in 2016.

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.

BALANCES WITH JOINT VENTURES

EUR THOUSAND	2016	2015
Loan receivables	95	0
Trade receivables	0	3
Interest income	0	26

In September 2016, Dovre Group Plc agreed to give Bioindo a loan totaling USD 150 thousand. Dovre Group paid the first instalment of the loan in September 2016 and the rest in January 2017. The loan period is 2 years and its annual interest rate 6%. Dovre Group has not accrued the interest receivable in the 2016 financial statements.

Summary of joint ventures' financial information

	SARARASA BIOINDO PTE. LTD	
EUR THOUSAND	2016	2015
Current assets	593	411
Non-current assets	2,020	3,434
Current liabilities	-1,016	-534
Non-current liabilities	-3,364	-2,699
Shareholders' prepayments *)	0	-1,148
Net sales	995	0
Result for the period	-3,223	-4,102
Reconciliation to book value on the Group's balance sheet:		
Group's ownership %	29,00 %	29,00 %
Group's share of net assets	-512	-129
Prepayments for additions *)	3	372
Goodwill	813	786
Book value on the Group's balance sheet	**304**	**1,029**

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

17. NON-CURRENT ASSETS

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Non-current loan receivables from joint ventures	95	0
Non-current loan receivables	0	41
Total	**95**	**41**

18. DEFERRED TAX ASSETS AND LIABILITIES

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Deferred tax assets	193	308
Deferred tax liabilities	-903	-1,012
Total	**-710**	**-704**

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
Total	**-704**	**40**	**-46**	**-710**

Reconciliation of deferred tax assets and liabilities 2015

EUR THOUSAND	JAN. 1, 2015	CHARGED TO INCOME STATEMENT	ACQUISITIONS	TRANSLATION DIFFERENCES	DEC. 31, 2015
Tax losses carried forward	289	-9		11	291
Restructuring provision	0	176		-12	164
Allocation of fair value on acquisitions	-54	129	-1,003	99	-829
Withholding tax on undistributed earnings	-190	126			-64
Other temporary differences	-306	18	2	20	-266
Total	**-261**	**440**	**-1,001**	**118**	**-704**

Carry-forward losses

On December 31, 2016, the Group carried forward losses worth of EUR 5.6 million (EUR 14 million on December 31, 2015), for which no deferred tax assets have been recognized. A total of EUR 3.5 million of the Group's losses expire in 2017–2026 and a total of EUR 1.0 million later. The remaining losses expire later or have no definite expiration date.

19. TRADE AND OTHER RECEIVABLES

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Trade receivables	11,591	17,578
Other receivables	160	262
Prepayments and accrued income on sales	660	822
Other prepayments and accrued income	546	590
Other receivables from joint ventures	0	3
Total	**12,957**	**19,256**

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, 2016	DEC. 31, 2015
Not due	7,480	11,613
Overdue		
1–30 days	3,436	5,506
31–60 days	459	361
61–90 days	164	21
Over 90 days	52	77
Total	**11,591**	**17,578**

Changes in provision for impairment of trade receivables:

EUR THOUSAND	2016	2015
Impairment loss, Jan. 1	0	38
Translation differences (+/-)	0	0
Provisions used	0	-38
Reversal of provisions	0	0
Impairment loss, Dec. 31	**0**	**0**

20. 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 2015). 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 2015). The shares do not carry a nominal value. The Group's maximum share capital is EUR 41.6 million (EUR 41.6 million in 2015). 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	TOTAL
Dec. 31, 2014	**63,265,751**	**9,603**	**463**	**0**	**10,066**
Merger with NPC	36,453,018	0	11,712	2,869	14,581
Stock options exercised	150,000	0	44	0	44
Dec. 31, 2015	**99,868,769**	**9,603**	**12,219**	**2,869**	**24,691**
Dec. 31, 2016	**99,868,769**	**9,603**	**12,219**	**2,869**	**24,691**

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.

Changes in 2015

A total of 120,000 shares were subscribed for under Dovre Group Plc's 2010A option plan in Q1. The subscription period of the plan was March 1, 2012 - February 28, 2015. The increase in the company's number of shares was entered in the Finnish trade register on March 2, 2015. A total of 30,000 shares were subscribed for under Dovre Group Plc's 2010C option plan in Q1. The subscription period of the plan is March 1, 2014–February 28, 2017. The increase in the company's number of shares was entered in the Finnish trade register on March 2, 2015. The subscription price for 2010A stock options was EUR 0.28 and for 2010C stock options EUR 0.33. The increases in the number of shares due to stock options exercised have been recorded in the reserve for non-restricted equity.

In connection with the acquisition of NPC, Dovre Group issued a total of 36,453,018 new shares in Dovre Group Plc as direct issue to NPC's sellers in Q2. The increase in the company's number of shares was entered in the Finnish trade register on June 4, 2015. After the registration, the total number of shares in the company is 99,868,769 shares. The increase in the number of shares due to direct issue has been recorded in the reserve for non-restricted equity and the fair value reserve. The amount recorded in the reserve for non-restrictred equity corresponds to the declaration of contributed capital. The total value of the issue was calculated based on Dovre Group Plc's market price on the date of acquisition and the difference was recorded in the fair value reserve (see Note 4).

Dividend distribution in 2015

Dovre Group Plc's Annual General Meeting held on March 25, 2015, decided that shareholders be paid a dividend of EUR 0.02 per share for the financial year 2014, corresponding to approx. EUR 1.3 million. The dividend was paid on April 8, 2015. Based on an authorization granted by the Annual General Meeting, and as part of the acquisition of NPC, the company's Board of Directors decided that shareholders be paid an extra dividend of EUR 0.06 per share, corresponding to approx. EUR 3.8 million. The dividend was paid on September 30, 2015. The consideration shares issued in connection with the acquisition of NPC were not entitled to the dividend for 2014 or to the extra dividend.

21. SHARE-BASED COMPENSATION

The Group has two open option plans that form 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 (DOV1V) at the subscription price and during the subscription period determined in accordance with the terms and conditions of the stock option plan.

2010 stock option plan

In its meeting on May 27, 2010, the Board of Directors approved the 2010 option plan based on the authorization given by the Annual General Meeting held on April 18, 2007. The plan has one open series (2010C).

2010 STOCK OPTION PLAN	2010C
Grant date	Feb. 14, 2012
Option life in years	5
Subscription period	March 1, 2014–Feb. 28, 2017
Period for determining subscription price	Jan. 1–March 31, 2012
Original subscription price *)	EUR 0.38
Subscription price on Dec. 31, 2016	EUR 0.27
Total number of options on grant date	775,000
Total number of options outstanding on Dec. 31, 2016	570,000

*) No dividend adjustment, but the Board of Directors of Dovre Group Plc decided in their meeting on March 27, 2014 to lower the subscription price for stock options granted under the 2010 plan by an amount equal to the extraordinary dividend paid in 2013, EUR 0.05 per share. In addition, the Board of Directors of Dovre Group Plc decided on May 28, 2015 to lower the subscription prices by an amount equal to the extra dividend paid in connection with the acquisition of NPC, EUR 0.06 per share.

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 0.44
Total number of options on grant date	1,000,000	1,000,000	1,000,000
Total number of options outstanding on Dec. 31, 2016	840,000	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 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
Outstanding on Dec. 31, 2016	**3,020,000**	**0.41**
Exercisable on Dec. 31, 2016	**1,410,000**	**0.40**

CHANGES IN THE NUMBER OF OPTIONS AND THE WEIGHTED AVERAGE EXERCISE PRICE IN 2015	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (EUR / SHARE)
Outstanding at the beginning of the year	2,790,000	0.45
Granted	1,550,000	0.49
Returned	-300,000	0.50
Exercised	-150,000	0.28
Expired	-240,000	0.28
Outstanding on Dec. 31, 2015	**3,650,000**	**0.41**
Exercisable on Dec. 31, 2015	**1,865,000**	**0.35**

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
Outstanding on Dec. 31, 2016	**3,020,000**	**0.41**	**1.8**

OUTSTANDING OPTIONS ON DEC. 31, 2015; EXERCISE PRICE AND WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	NUMBER OF SHARES	EXERCISE PRICE (EUR / SHARE)	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)
Options 2010B	395,000	0.36	0.2
Options 2010C	570,000	0.27	1.2
Options 2013A	900,000	0.39	2.2
Options 2013B	835,000	0.52	3.2
Options 2013C	950,000	0.45	4.2
Outstanding on Dec. 31, 2015	**3,650,000**	**0.41**	**2.6**

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 7). The key variables used for determining the fair value of the options are presented in the table below.

2010 OPTION PLAN	2010C
Share price at grant date	EUR 0.41
Exercise price	EUR 0.38
Expected volatility	30 %
Expected option life in years (at grant date)	5
Expected dividend yield	2 %
Risk-free rate	1.50 %
Anticipated cuts in personnel %	N/A
Fair value of option at grant date	EUR 0.11
Granted options	775,000
Fair value of option plan at grant date (EUR 1,000)	82

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

22. NON-CURRENT FINANCIAL LIABILITIES

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Non-current loans from financial institutions	1,650	2,250
Non-current liabilities to others	0	41
Accruals and deferred income	23	0
Total	**1,673**	**2,291**

The average interest rate for the Group's non-current loans from financial institutions was 0.75% in 2016 (0.75% in 2015).
The fair value of the Group's non-current financial liabilities is based on a reasonable estimate of their book value.

23. CURRENT FINANCIAL LIABILITIES

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Current loans from financial institutions	1,928	1,886
Lines of credit in use	0	1,546
Total	**1,928**	**3,432**

The average interest rate for current loans was 1.16% in 2016 (0.95% in 2015). 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 2015 was Nibor 1m + 1.8% margin.

24. TRADE PAYABLES AND OTHER LIABILITIES

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015 *)
Trade payables	4,094	6,250
Other current liabilities	3,201	4,978
Total	**7,295**	**11,228**

CURRENT ACCRUALS AND DEFERRED INCOME EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015 *)
Accrued employee expenses	3,489	4,358
Other current accrued liabilities on income and expenses	1,071	1,436
Total	**4,560**	**5,794**

Trade payables and other liabilities, total	**11,855**	**17,024**

The fair values of the liabilities are equal to their carrying values.

*) Comparatives for 2015 changed due to a transfer of items between other current liabilities and accrued employee expenses.

25. NON-CURRENT AND CURRENT PROVISIONS

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
Total	**718**	**81**	**-34**	**-309**	**32**	**488**

CHANGES IN PROVISIONS, 2015 EUR THOUSAND	JAN 1, 2015	INCREASE	REVERSAL OF PROVISIONS	PROVISIONS USED	TRANSLATION DIFFERENCES	DEC. 31, 2015
Restructuring provision	0	920	0	-175	-48	697
Other provisions	30	2	0	-11	0	21
Total	**30**	**922**	**0**	**-186**	**-48**	**718**

26. FINANCIAL INSTRUMENTS AT FAIR VALUE

2016 EUR THOUSAND	LOANS AND RECEIVABLES MEASURED AT THE EFFECTIVE INTEREST RATE METHOD	FINANCIAL ASSETS/ LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	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
	11,686			**11,686**	**11,686**
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
			7,672	**7,672**	**7,672**

2015 EUR THOUSAND	LOANS AND RECEIVABLES MEASURED AT THE EFFECTIVE INTEREST RATE METHOD	FINANCIAL ASSETS/ LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	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 others	41			41	41
Current financial assets					
Trade receivables	17,581			17,581	17,581
	17,623			**17,623**	**17,623**
Non-current financial liabilities					
Interest-bearing liabilities			2,250	2,250	2,250
Other liabilities			41	41	41
Current financial liabilities					
Interest-bearing liabilities			3,432	3,432	3,432
Trade payables			6,250	6,250	6,250
			11,974	**11,974**	**11,974**

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 foreign 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, 2016	0.0	0.0	0.5	0.1	0.0	0.1	0.7
Exposure Dec. 31, 2015	0.1	0.0	0.8	0.2	-0.1	0.0	1.0

EXPOSURE AGAINST NOK EUR MILLION	NOK	CAD	USD	SGD	GBP	TOTAL
Exposure Dec. 31, 2016		0.1	0.0	0.2	0.0	0.3
Exposure Dec. 31, 2015		0.0	0.6	1.3	0.3	2.1

EXPOSURE AGAINST SGD EUR MILLION	NOK	CAD	USD	SGD	GBP	TOTAL
Exposure Dec. 31, 2016	0.6		0.2			0.7
Exposure Dec. 31, 2015	0.3		0.7			1,0

EXPOSURE AGAINST USD EUR MILLION	NOK	CAD	USD	SGD	GBP	EUR	TOTAL
Exposure Dec. 31, 2016					0.1	0.0	0.1
Exposure Dec. 31, 2015					0.4	0.1	0.5

EXPOSURE AGAINST CAD EUR MILLION	NOK	CAD	USD	SGD	GBP	TOTAL
Exposure Dec. 31, 2016			0.1			0.1
Exposure Dec. 31, 2015			0.3			0.3

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 0.4 (1.0) million on the Group's result before taxes with the exchange rates strengthening and EUR -0.4 (-1.0) million with the exchange rates weakening.

Translation risks

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 2016, the Group's comparable net sales changed by -28 (15) % in euros. In local currencies the change in net sales would have been -26 %.

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
2016	10 %	-4.3	-1.2	-0.9	-1.1
	-10 %	5.3	1.5	1.1	1.3
2015	10 %	-5.4	-2.0	-1.8	-1.2
	-10 %	6.6	2.4	2.2	1.4

In 2016, the translation differences arising from the translation of the Group's subsidiaries' balance sheets into euros was EUR 1.1 (-1.9) million. The translation difference was mainly caused by the strengthening of the Canadian dollar and the Norwegian crown against the euro. In 2015, the translation difference was caused by the weakening 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 1.7 (2.3) million on December 31, 2016. 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 2016.

On December 31, 2016, the Group's cash and cash equivalents were EUR 8.3 (10.9) million. In addition, the parent company and subsidiaries have unused credit limits.

EUR MILLION	2016	2015
Cash and cash equivalents	8.3	10.9
Credit facilities	3.8	6.7
Lines of credit in use	0.0	-1.5
Total	**12.1**	**16.1**

The Group's credit facilities increased in 2015 due to the credit facilities transferred to the Group in connection with the merger with NPC. The Group has renegotiated these credit facilities during 2016.

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' creditworthiness 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 19 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	2016	2015
Interest-bearing liabilities	3.6	5.7
Cash and cash equivalents	8.3	10.9
Net debt	**-4.7**	**-5.2**
Shareholders' equity	25.8	27.3
Gearing	**-18.3 %**	**-19.0 %**

28. OTHER RENTAL AGREEMENTS

Group as Lessee

FUTURE MINIMUM LEASE PAYMENTS FOR NON-CANCELLABLE OPERATING LEASES

EUR THOUSAND	2016	2015
Not later than one year	588	666
Later than one year and not later than five years	567	606
Total	**1,155**	**1,272**

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

In 2016, EUR 716 thousand in lease payments for business premises were recognized as expense in profit or loss (EUR 1,346 thousand in 2015) and EUR 47 thousand for cars (EUR 60 thousand in 2015). In 2015, the Group's leases for business premises included approx. EUR 0.6 million provision for business premises in Norway that were no longer in use.

Group as Lessor

FUTURE MINIMUM INCOME ON NON-CANCELLABLE OTHER LEASES

EUR THOUSAND	2016	2015
Not later than one year	11	14
Total	**11**	**14**

29. COMMITMENTS AND CONTINGENT LIABILITIES

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Collateral for own commitments		
Trade receivables pledged as collateral	8,804	10,413
Floating charges	3,000	3,000
Pledged charges, book value in the Group	843	860

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 Inc.	Houston	USA	0.00	100.00
Project Completion Management Ltd.	Hampshire	UK	100.00	100.00

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 16 Investments in Joint Ventures. Dovre Group did not have any material transactions with any other related parties in 2016 or 2015. There were no loans given to management in the Group balance sheet on December 31, 2016 or December 31, 2015.

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. The Group Executive Team increased by two members as a result of the merger with NPC, completed on May 28, 2015.

EUR THOUSAND	2016	2015
Salaries and other short-term employee benefits	-1,002	-1,124
Share-based compensation	-39	-106
Total	**-1,041**	**-1,230**

In 2016, the CEO's share-based compensation totaled EUR 20 thousand (EUR 38 thousand in 2015).

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	2016	2015
Board members on Dec. 31, 2016:		
Rainer Häggblom - Chairman of the Board	-35	-35
Louis Harrewijn - Vice Chairman of the Board as of March 17, 2016	-19	0
Christian Bull Eriksson - Board member as of March 17, 2016	-17	0
Ilari Koskelo - Board member	-22	-22
Former Board members:		
Arja Koski - Board member until March 17, 2016	-6	-22
Tero Viherto - Vice Chairman of the Board until March 17, 2016	-6	-25
CEO:		
Patrick von Essen	-202	-254
Total	**-306**	**-358**

In 2016 and 2015, 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 members of the Group Executive Team. Members of the Board of Directors have not been granted and do not hold any stock options.

	2016	2015
Number of options granted (1,000)	1,880	2,020
Of which exercisable (1,000)	1,280	860
Fair value of options, total (EUR million)	237	261
Total number of shares that can be subscribed for with stock options granted to management (1,000)	1,880	2,020

KEY FIGURES AND FINANCIAL DEVELOPMENT 2012–2016

3. KEY FIGURES AND FINANCIAL DEVELOPMENT 2012–2016

Key Financial Indicators

EUR THOUSAND	IFRS 2016	IFRS 2015	IFRS 2014	IFRS 2013	IFRS 2012
Net sales, Group	83,810	115,947	98,889	100,788	98,923
Change, %	-27.7 %	17.2 %	-1.9 %	1.9 %	28.2 %
Net sales, continuing operations	83,810	115,947	98,889	98,544	94,069
Change, %	-27.7 %	17.2 %	0.4 %	4.8 %	28.4 %
Net sales, discontinued operations	N/A	N/A	N/A	2,244	4,854
Operating result, Group	4	-858	1,173	2,759	4,302
% of net sales	0.0 %	-0.7 %	1.2 %	2.7 %	4.3 %
Operating result, continuing operations	4	-858	1,173	2,407	3,419
% of net sales	0.0 %	-0.7 %	1.2 %	2.4 %	3.6 %
Operating result, discontinued operations	N/A	N/A	N/A	352	883
Result before tax, Group	-1,545	-1,841	885	2,393	4,106
% of net sales	-1.8 %	-1.6 %	0.9 %	2.4 %	4.2 %
Result before tax, continuing operations	-1,545	-1,841	885	2,039	3,240
% of net sales	-1.8 %	-1.6 %	0.9 %	2.1 %	3.4 %
Result for the period	-1,669	-2,012	268	5,563	2,869
% of net sales	-2.0 %	-1.7 %	0.3 %	5.5 %	2.9 %
Return on equity, %	-6.3 %	-8.2 %	1.1 %	23.0 %	13.2 %
Return on investment, % 1)	-4.2 %	-6.1 %	3.9 %	10.2 %	15.9 %
Equity-ratio, %	60.3 %	52.5 %	60.4 %	62.3 %	56.8 %
Gearing, % 2)	-18.3 %	-19.1 %	-42.2 %	-50.0 %	-27.0 %
Balance sheet total	42,794	52,040	35,545	40,718	40,522
Gross capital expenditure	322	2,096	346	395	1,669
% of net sales (Group)	0.4 %	1.8 %	0.3 %	0.4 %	1.7 %
Research and development 3)	106	117	135	197	114
% of net sales (continuing operations)	0.1 %	0.1 %	0.1 %	0.2 %	0.1 %
Average number of personnel, Group	543	649	481	481	459
Personnel at end of period, Group	462	714	486	468	488
Average number of personnel, continuing operations	543	649	481	469	434
Personnel at end of period, continuing operations	462	714	486	468	461

1) In 2012 and 2013, return on investment calculated for continuing operations.

2) In 2012, key indicator calculation does not include cash and cash equivalents of discontinued operations.

3) Comparatives for 2012-2013 do not include discontinued operations

Key Figures by Share

EUR	IFRS 2016	IFRS 2015	IFRS 2014	IFRS 2013	IFRS 2012
Undiluted earnings per share (EUR), Group	-0.017	-0.024	0.004	0.088	0.046
Diluted earnings per share (EUR), Group	-0.017	-0.024	0.004	0.088	0.045
Undiluted earnings per share (EUR), continuing operations	-0.017	-0.024	0.004	0.019	0.035
Diluted earnings per share (EUR), continuing operations	-0.017	-0.024	0,004	0.019	0.035
Undiluted equity per share (EUR)	0.26	0.32	0.34	0.40	0.37
Dividends EUR (1,000) *)	1,002	999	5,073	4,409	1,258
Dividend per share, EUR	0.010	0.010	0.080	0.070	0.020
Dividend per earnings, %	-60.0 %	-42.1 %	1882.9 %	79.3 %	43.8 %
Effective dividend yield, %	3.5 %	2.9 %	22,3 %	14.6 %	3.8 %
P/E ratio (EUR)	-17.35	-14.31	84.53	5.43	11.62
Highest share price (EUR)	0.36	0.57	0.69	0.59	0.58
Lowest share price (EUR)	0.26	0.33	0.33	0.38	0.32
Average share price (EUR)	0.3	0.47	0.53	0.48	0.43
Market capitalization (EUR million)	29.0	34.0	22.8	30.2	33.3
Value of traded shares (EUR million)	3.9	8.2	10.1	7.7	3.9
Shares traded, %	13.0 %	20.6 %	30.2 %	25.5 %	14.4 %
Average number of shares:					
Undiluted (1,000)	99,869	84,655	63,020	62,911	62,896
Diluted (1,000)	99,933	84,979	63,459	63,225	63,063
Number of shares at end of period (1,000)	99,869	99,869	63,266	62,916	62,896

*) Dividend for 2016 in accordance with the Board of Directors' proposal.

Calculation of Key Indicators

Return on shareholders' equity (ROE), % *)
$$\frac{\text{Result for the period}}{\text{Shareholders' equity (average)}} \times 100$$

Return on investment (ROI), % *)
$$\frac{\text{Result before taxes + interest and other financial expenses}}{\text{Balance sheet total (average) - interest free liabilities (average)}} \times 100$$

Equity-ratio, %
$$\frac{\text{Shareholders' equity}}{\text{Balance sheet total – advances received}} \times 100$$

Gearing, %
$$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Shareholders' equity}} \times 100$$

Earnings per share, EUR
$$\frac{\text{Result for the period}}{\text{Adjusted number of shares (average)}}$$

Equity per share, EUR
$$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at end of period}}$$

Dividend per share, EUR
$$\frac{\text{Dividend payable for the financial year}}{\text{Adjusted number of shares at end of period}}$$

Dividend per earnings, %
$$\frac{\text{Adjusted dividend per share}}{\text{Earnings per share}} \times 100$$

Effective dividend yield, %
$$\frac{\text{Adjusted dividend per share}}{\text{Adjusted share price at end of period}} \times 100$$

Price-earnings ratio (P/E), EUR
$$\frac{\text{Adjusted share price at end of period}}{\text{Earnings per share}}$$

*) 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

Dovre Group Plc's Income Statement, FAS

EUR THOUSAND	NOTE	JAN. 1–DEC. 31, 2016	JAN. 1–DEC. 31, 2015
NET SALES	2	**4,799**	**4,172**
Other operating income	3	66	5,812
Material and services	4	-914	-318
Employee benefits expense	5	-2,783	-2,692
Depreciation and amortization	6	-97	-307
Other operating expenses		-1,384	-1,343
OPERATING RESULT		**-314**	**5,324**
Financing income and expenses	8	703	1,278
RESULT BEFORE TAXES		**389**	**6,602**
Tax		-105	-164
RESULT FOR THE PERIOD		**285**	**6,439**

Dovre Group Plc's Balance Sheet, FAS

EUR THOUSAND	NOTE	DEC. 31, 2016	DEC. 31, 2015
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	151	108
Tangible assets	10	19	24
Investments			
Investments in subsidiaries	11	27,070	27,163
Receivables from Group companies	11	0	92
Investments in associates	11	1,949	2,581
NON-CURRENT ASSETS		**29,189**	**29,968**
CURRENT ASSETS			
Non-current assets			
Loan receivables	12	5,944	5,902
Deferred tax assets	12	183	183
Current assets	13	1,548	1,370
Cash and cash equivalents		180	534
CURRENT ASSETS		**7,854**	**7,989**
TOTAL ASSETS		**37,044**	**37,957**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	14	9,603	9,603
Reserve for invested non-restricted equity	14	12,219	12,219
Retained earnings	14	11,649	6,208
Result for the period	14	285	6,439
SHAREHOLDERS' EQUITY		**33,756**	**34,469**
LIABILITIES			
Non-current liabilities	15	1,673	2,345
Current liabilities	16	1,615	1,143
LIABILITIES		**3,288**	**3,488**
TOTAL EQUITY AND LIABILITIES		**37,044**	**37,957**

Dovre Group Plc's Cash Flow Statement, FAS

EUR THOUSAND	2016	2015
Cash flow from operating activities		
Operating profit (+) / loss (-)	-314	5,324
Depreciation and amortization	97	307
Gain on disposal of investment	0	-5,787
Change in provisions on the balance sheet	0	-9
Changes in working capital	-81	279
Interest received	6	28
Interest paid	-21	-7
Other financial items	-9	-11
Income taxes paid	-37	-38
Net cash generated by operating activities	**-359**	**86**
Cash flow from investing activities		
Investments in tangible and intangible assets	-46	-6
Investments in Group companies	0	-886
Proceeds from disposal of investments in Group companies *)	402	0
Purchase of shares in associates	-124	-371
Disposal of shares in associates	0	12
Dividends received from investments **)	1,263	2,650
Increase (-) / decrease (+) in loan receivables	125	359
Net cash generated by investing activities	**1,620**	**1,758**
Cash flow from financing activities		
Stock options exercised	0	44
Proceeds from non-current loans	0	3,000
Repayments of non-current loans	-600	-150
Dividends paid	-999	-5,073
Net cash generated by financing activities	**-1,599**	**-2,179**
Translation differences	-16	67
Change in cash and cash equivalents	**-354**	**-268**
Cash and cash equivalents at the beginning of the period	534	802
Cash and cash equivalents at the end of the period	**180**	**534**

*) A total of EUR 265 thousand of proceeds from the disposal of investment was prepayment for the liquidation of the company to be completed in 2017.

**) In 2016, a total of EUR 77 thousand of dividends received from investments was recorded as loan receivables without cash flow.

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

Derivative instruments

The company hedges 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 derivate contracts at the end of 2016.

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 prudency.

2. NET SALES

NET SALES BY BUSINESS ACTIVITY EUR THOUSAND	2016	2015
Consulting	1,239	1,134
Project personnel	1,946	590
Other functions	1,614	2,449
Total	**4,799**	**4,172**

GEOGRAPICAL DISTRIBUTION EUR THOUSAND	2016	2015
Finland	1,615	1,097
Canada	473	853
Norway	873	1,217
The Netherlands	1,139	588
Other countries	698	417
Total	**4,799**	**4,172**

3. OTHER OPERATING INCOME

EUR THOUSAND	2016	2015
Gain on disposal of non-current assets, investments	0	5,787
Rents	66	25
Total	**66**	**5,812**

Dovre Club Ltd. was incorporated in 2015. Dovre Group Plc recorded a gain on disposal totaling EUR 5.8 million for the transaction.

4. MATERIAL AND SERVICES

EUR THOUSAND	2016	2015
License fees	-81	-98
External services	-833	-220
Total	**-914**	**-318**

5. EMPLOYEE BENEFITS EXPENSE

EUR THOUSAND	2016	2015
Salaries and fees	-2,466	-2,338
Pension expenses	-262	-285
Other employee benefits	-55	-69
Total	**-2,783**	**-2,692**

Management remuneration

EUR	2016	2015
CEO	-202,194	-254,077
Members of the Board of Directors	-104,000	-104,000
Total	**-306,194**	**-358,077**

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 2016, a total of EUR 37,936 of the CEO's statutory pension expenses was charged to the income statement (EUR 47,413 in 2015).

NUMBER OF EMPLOYEES	2016	2015
Average	27	26
At the end of the financial year	31	24

6. DEPRECIATION AND AMORTIZATION

EUR THOUSAND	2016	2015
Amortization according to plan, intangible assets	-85	-292
Depreciation according to plan, tangible assets	-12	-14
Total	**-97**	**-307**

7. AUDITOR FEES

EUR THOUSAND	2016	2015
External audit	-99	-90
Other services referred to in the Finnish Auditing Act	-4	-8
Tax consultancy	-5	-3
Other professional services	0	-12
Total	**-108**	**-113**

8. FINANCING INCOME AND EXPENSES

DIVIDEND INCOME

EUR THOUSAND	2016	2015
Dividend income from Group companies	1,406	2,776
Total	**1,406**	**2,776**

OTHER INTEREST AND FINANCING INCOME

EUR THOUSAND	2016	2015
Interest income from Group companies	66	28
Interest income from associates	0	26
Other financing income from others	15	357
Total	**81**	**412**

IMPAIRMENT LOSSES

EUR THOUSAND	2016	2015
Impairment, investments in Group companies	-56	-138
Reversal of impairment, investments in Group companies	63	0
Impairment, investments in associates	-756	-1,590
Total	**-750**	**-1,728**

INTEREST AND FINANCING EXPENSES

EUR THOUSAND	2016	2015
Interest expenses to Group companies	-1	-1
Interest expenses, interest-bearing liabilities	-21	-7
Other interest and financing expenses	-13	-174
Total	**-34**	**-182**

Financing income and expenses, total	**703**	**1,278**
Foreign exchange gains included in financing income	15	358
Foreign exchange losses included in financing income	-8	-168

9. INTANGIBLE ASSETS

INTANGIBLE RIGHTS AND OTHER CAPITALIZED EXPENDITURE EUR THOUSAND	2016	2015
Acquisition cost, Jan. 1	101	702
Additions	128	0
Disposals	0	-601
Acquisition cost, Dec. 31	229	101
Accumulated amortization and value adjustments, Jan. 1	-99	-213
Accumulated amortization from disposals	0	326
Amortization charges for the year	-5	-212
Accumulated amortization and value adjustments, Dec. 31	-105	-99
Book value, Dec. 31	**124**	**2**

Disposals in 2015 relate to a business transfer completed in Q4/2015, as a result of which the company recorded a gain on disposal, EUR 5.8 million (see Note 3).

A total of EUR 65 thousand recorded in prepayments in 2014 was transferred to other capitalized expenditure in 2015.

MERGER ASSETS EUR THOUSAND	2016	2015
Acquisition cost, Jan. 1	401	401
Acquisition cost, Dec. 31	401	401
Accumulated amortization and value adjustments, Jan. 1	-294	-214
Amortization charges for the year	-80	-80
Accumulated amortization and value adjustments, Dec. 31	-374	-294
Book value, Dec. 31	**27**	**107**

10. TANGIBLE ASSETS

MACHINERY AND EQUIPMENT EUR THOUSAND	2016	2015
Acquisition cost, Jan. 1	134	134
Additions	7	0
Disposals	-39	0
Acquisition cost, Dec. 31	102	134
Accumulated depreciation and value adjustments, Jan. 1	-109	-95
Accumulated depreciation from disposals	39	0
Depreciation charges for the year	-12	-14
Accumulated depreciation and value adjustments, Dec. 31	-83	-109
Book value, Dec. 31	**19**	**24**

11. INVESTMENTS

INVESTMENTS IN GROUP COMPANIES EUR THOUSAND	2016	2015
Acquisition cost, Jan. 1	28,553	16,010
Additions	38	12,948
Disposals	-1,210	-404
Acquisition cost, Dec. 31	27,380	28,553
Accumulated value adjustments, Jan. 1	-1,390	-1,252
Impairment on disposals	1,073	0
Impairment	-56	-138
Reversal of impairment	63	0
Accumulated impairment and value adjustments, Dec. 31	-310	-1,390
Book value, Dec. 31	**27,070**	**27,163**

Of the additions in 2015, EUR 12.5 million relates to the acquisition of NPC Group AS, completed in May 2015 (see Consolidated Financial Statements Note 4). As part of the acquisition, NPC Group AS and its subsidiaries in Norway, Singapore, the UK, and the USA were transferred to the Group. In Q4/2015, the Group's company structure was streamlined. The Group's subsidiary Dovre Services AS and NPC Group AS's subsidiary NPC AS were merged with NPC Group AS, and NPC Group AS's company name was changed to Dovre Group Projects AS.

RECEIVABLES FROM GROUP COMPANIES EUR THOUSAND	2016	2015
Acquisition cost, Jan. 1	92	82
Additions	-77	0
Translation differences	-15	10
Acquisition cost, Dec. 31	0	92
Book value, Dec. 31	**0**	**92**

INVESTMENTS IN ASSOCIATES EUR THOUSAND	2016	2015
Acquisition cost, Jan. 1	4,171	2,456
Additions	124	2,078
Disposals	0	-364
Acquisition cost, Dec. 31	4,295	4,171
Accumulated impairment and value adjustments, Jan. 1	-1,590	-1,590
Impairment	-756	0
Accumulated impairment and value adjustments, Dec. 31	-2,346	-1,590
Book value, Dec. 31	**1,949**	**2,581**

RECEIVABLES FROM ASSOCIATES EUR THOUSAND	2016	2015
Acquisition cost, Jan. 1	0	894
Additions	0	324
Capitalized interest receivables	0	62
Converted into shares	0	-1,355
Translation differences	0	75
Acquisition cost, Dec. 31	0	0
Book value, Dec. 31	**0**	**0**

INVESTMENTS IN SUBSIDIARIES ON DEC. 31, 2016	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

*) Company name changed in 2016. Previous name Norwegian Petroleum Consultants Limited.

In 2016, Dovre Group AB in Sweden and Dovre UK Ltd in the UK were closed down. The company's ownership of PCM Ltd increased to 100% as a result of the exercise of an option (previous ownership 48%).

INVESTMENTS IN ASSOCIATES ON DEC. 31, 2016	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, 2016	DEC. 31, 2015
Loan receivables		
Non-current loan receivables from Group companies	5,849	5,860
Non-current loan receivables from associates	95	0
Non-current loan receivables from others	0	43
Total	**5,944**	**5,903**
Deferred tax assets	183	183
Non-current receivables, total	**6,127**	**6,086**

In 2016, the company had a total of EUR 0.6 million (EUR 0.5 million in 2015) 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 and growth in the Project Personnel business area.

13. CURRENT RECEIVABLES

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Current receivables from Group companies		
Trade receivables	235	490
Loan receivables	397	507
Deferred assets, interest receivable	60	3
	693	**1,000**
Current receivables from joint ventures		
Trade receivables	0	3
	0	**3**
Current receivables from others		
Trade receivables	701	158
Other receivables	26	19
Deferred assets	128	190
	855	**367**
Current receivables, total	**1,548**	**1,370**

DEFERRED ASSETS FROM OTHERS

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Sales accruals	22	27
Accrued expenses	106	163
Total	**128**	**190**

14. SHAREHOLDERS' EQUITY

Restricted equity

SHARE CAPITAL

EUR THOUSAND	2016	2015
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	2016	2015
Reserve for invested non-restricted equity, Jan. 1	12,219	463
Direct issue, property given as subscription in kind	0	11,712
Stock options exercised	0	44
Reserve for invested non-restricted equity, Dec. 31	12,219	12,219

Direct issue relates to the acquisition of NPC Group AS, completed in May 2015 (see Consolidated Financial Statements Note 4).

RETAINED EARNINGS

EUR THOUSAND	2016	2015
Retained earnings, Jan. 1	12,647	11,282
Dividend distribution	-999	-5,073
Result for the period	285	6,439
Retained earnings, Dec. 31	11,933	12,647

CALCULATION OF DISTRIBUTABLE EARNINGS EUR THOUSAND	2016	2015
Retained earnings	11,649	6,209
Reserve for invested non-restricted equity	12,219	12,219
Result for the period	285	6,439
Total	**24,152**	**24,866**

15. NON-CURRENT LIABILITIES

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Non-current loans from financial institutions	1,650	2,250
Non-current liabilities to Group companies	0	95
Accruals and deferred income	23	0
Total	**1,673**	**2,345**

16. CURRENT LIABILITIES

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Current liabilities to Group companies		
Trade payables	140	51
Other liabilities	268	0
Accruals and deferred income	1	0
	409	**51**
Liabilities to others		
Current loans from financial institutions	600	600
Trade payables	152	122
Other liabilities	89	54
Accruals and deferred income	366	316
	1,206	**1,092**
Current liabilities, total	**1,615**	**1,143**

ACCRUALS AND DEFERRED INCOME EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Accrued employee expenses	253	208
Deferred income	19	18
Other accrued expenses	94	90
Total	**366**	**316**

17. COMMITMENTS AND CONTINGENT LIABILITIES

Collateral

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Collateral for own commitments		
Chattel mortgages and other pledges given as collateral for liabilities and commitments		
Loans from financial institutions	2,250	2,850
Floating charges	3,000	3,000
Collateral for own commitments, other		
Pledged shares	921	921
Guarantees given for others		
Loan guarantee (overdraft)	2,408	1,378
Other guarantees	1,651	1,562
Total	**4,058**	**2,940**

Contingent liabililties and other commitments

EUR THOUSAND	DEC. 31, 2016	DEC. 31, 2015
Lines of credit		
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	2016	2015
Not later than one year	21	30
Later than one year and not later than five years	0	19
Total	**21**	**49**

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, 2016 and December 31, 2016, Dovre Group Plc's share capital was EUR 9,603,084.48. The total number of shares was 99,868,769.

TRADING AND MARKET CAPITALIZATION

In January–December 2016, approximately 13.1 (17.6) million shares in Dovre Group Plc were traded on Nasdaq Helsinki Ltd, corresponding to an exchange of approximately EUR 3.9 (8.2) million.

During the financial year, the lowest quotation was EUR 0.26 (0.33) and the highest EUR 0.36 (0.57). On December 31, 2016, the closing quotation was EUR 0.29 (0.34).

The period-end market capitalization was approximately EUR 29.0 (34.0) million.

On December 31, 2016, the number of registered shareholders of Dovre Group Plc totaled 3,368 (3,559), including 8 (8) nominee registers. 0.3 (0.2) % of the Group's shares were nominee registered.

AUTHORIZATIONS OF THE BOARD OF DIRECTORS

The Annual General Meeting held on March 17, 2016 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, 2017 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, 2017. The authorization revokes earlier authorizations to issue shares and grant option rights and other special rights entitling to shares.

The Board did not exercise the authorizations granted by the Annual General Meeting held on March 17, 2016 during the financial year.

OPTION RIGHTS

Dovre Group has two option plans, 2010 and 2013. Each stock option entitles the holder to subscribe one share in Dovre Group Plc.

Option rights issued under the 2010 option plan are as follows:

2010 OPTION PLAN SUBSCRIPTION PERIOD	SUBSCRIPTION PRICE (EUR)	NUMBER OF OPTIONS	NUMBER OF SHARES
A March 1, 2012–February 28, 2015	0.28	900,000	900,000
B March 1, 2013–February 28, 2016	0.36	775,000	775,000
C March 1, 2014–February 28, 2017	0.27	775,000	775,000
Total		**2,450,000**	**2,450,000**
Cancelled		1,360,000	1,360,000
Share subscriptions		520,000	520,000
Remaining December 31, 2016		570,000	570,000
Of which in reserve		0	0

The subscription period of the company's 2010B option series ended on February 28, 2016. No shares were subscribed for under the series. The remaining 395,000 stock options expired as unused. At the end of the financial year, a total of 570,000 stock options were outstanding under the 2010 option plan.

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	0.44	1,000,000	1,000,000
Total		**3,000,000**	**3,000,000**
Cancelled		0	0
Share subscriptions		0	0
Remaining December 31, 2016		3,000,000	3,000,000
Of which in reserve		550,000	550,000

No option rights were granted under the 2013 option plan during the financial year. A total of 235,000 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 2,450,000 stock options under the 2013 option plan and had in reserve a total of 550,000 stock options.

LARGEST SHAREHOLDERS ON DECEMBER 31, 2016

SHAREHOLDER		NUMBER OF SHARES	% OF SHARES AND VOTES
1	Visual Engineering AS 1)	18,300,000	18.3 %
2	Commuter AS 2)	18,226,509	18.3 %
3	Etra Capital Oy	15,000,000	15.0 %
4	Koskelo Ilari	4,817,691	4.8 %
	Koskelo Ilari	3,517,691	3.5 %
	Navdata Oy 3)	1,300,000	1.3 %
5	Mäkelä Pekka	1,775,713	1.8 %
6	Siik Rauni	1,648,914	1.7 %
7	Sijoitusrahasto Evli Suomi Pienyhtiöt	1,598,320	1.6 %
8	Mandatum Life Unit - Linked	1,525,000	1.5 %
9	Siik Seppo Sakari	1,492,426	1.5 %
10	Oy Cen-Invest Ab	1,200,000	1.2 %
11	Paasi Kari	1,150,000	1.2 %
12	Nordea Henkivakuutus Suomi Oy	1,072,822	1.1 %
13	Kefura Ab	1,000,000	1.0 %
14	Hinkka Petri	1,000,000	1.0 %
15	Keep it simple KIS Oy Ab	820,000	0.8 %
16	Ruokostenpohja Ismo	647,967	0.6 %
17	Hinkka Invest Oy	583,390	0.6 %
18	Toivanen Kari	579,500	0.6 %
19	Amlax Oy	503,536	0.5 %
20	Suomela Kalervo	385,000	0.4 %
20 largest shareholders (total)		**73,326,788**	**73.4 %**
Nominee registered shares (total)		274,143	0.3 %
Total remaining		26,267,838	26.3 %
Total		**99,868,769**	**100.0 %**

1) Ole Olsen, who is a member of Dovre Group's Executive Team, holds control in Visual Engineering AS (formerly Global Group AS).
2) Frank Ween, who is a member of Dovre Group's Executive Team, holds control in Commuter AS.
3) Ilari Koskelo, who is a member of Dovre Group's Board of Directors, holds control in Navdata Oy.

ANALYSIS OF SHAREHOLDINGS ON DECEMBER 31, 2016

By number of shares owned

NUMBER OF SHARES	NUMBER OF SHAREHOLDERS	% OF ALL SHAREHOLDERS	TOTAL NUMBER OF SHARES	% OF ALL SHARES
1–100	257	7.6	16,086	0.0
101–500	649	19.3	231,220	0.2
501–1,000	521	15.5	468,448	0.5
1,001–5,000	1,121	33.3	3,059,899	3.1
5,001–10,000	365	10.8	2,933,392	2.9
10,001–50,000	333	9.9	7,536,177	7.5
50,001–100,000	53	1.6	4,008,914	4.0
100,001–500,000	49	1.5	8,672,845	8.7
500,001-	20	0.6	72,941,788	73.0
Total	**3,368**	**100.0**	**99,868,769**	**100.0**

By shareholder category

NUMBER OF SHARES	NUMBER OF SHAREHOLDERS	% OF ALL SHAREHOLDERS	TOTAL NUMBER OF SHARES	% OF ALL SHARES
Private companies	139	4.1	23,688,182	23.7
Financial and insurance institutions	12	0.4	4,529,837	4.5
Public bodies	1	0.0	800	0.0
Non-profit organizations	7	0.2	28,460	0.0
Households	3,172	94.2	33,895,942	33.9
Foreign shareholders	37	1.1	37,725,548	37.8
Total	**3,368**	**100.0**	**99,868,769**	**100.0**
Nominee registered	8		274,143	0.3

HOLDINGS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

On December 31, 2016, the members of the Board of Directors held a total of 3,671,408 shares, representing approximately 3.7% of all shares and votes. Taking into account ownership through controlled companies, the members of the Board of Directors held a total of 4,971,408 shares, representing approximately 5.0% of all shares and votes. Members of the Board of Directors did not hold any option rights on December 31, 2016.

On December 31, 2016, the CEO of Dovre Group Plc held a total of 132,000 shares, representing approximately 0.1% of all shares and votes.

NAME	NUMBER OF SHARES	% OF ALL SHARES	NUMBER OF STOCK OPTIONS 1)
Rainer Häggblom	97,295	0.1 %	0
Louis Harrewijn	30,012	0.0 %	0
Christian Bull Eriksson	26,410	0.0 %	0
Ilari Koskelo 2)	4,817,691	4.8 %	0
Board total	**4,971,408**	**5.0 %**	**0**
Patrick von Essen (CEO)	132,000	0.1 %	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) 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 22, 2017

Rainer Häggblom
Chairman of the Board of Directors

Aloysius (Louis) Harrewijn
Vice Chairman of the Board of Directors

Christian Bull Eriksson
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.

Espoo, February 22, 2017

ERNST & YOUNG OY
Authorized Public Accountants

Mikko Järventausta
Authorized Public Accountant

AUDITOR'S REPORT

7. AUDITOR'S REPORT

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

We have audited the financial statements of Dovre Group Plc (business identity code 0545139-6) for the year ended 31 December, 2016. 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.

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.

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.

Revenue recognition

We refer to the Group's accounting principles and the note 3.

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. The Group focuses on revenue as a key performance measure which could create the incentive for revenue to be recognised before the services have been rendered.

Our audit procedures to address the risk of material misstatement relating to revenue recognition included, among others:

- Assessing the compliance of the Group's accounting policies over revenue recognition with applicable accounting standards.
- Testing the sales cutoff with substantive analytical procedures supplemented with test of details on a transaction level either side of the balance sheet date.
- Obtaining direct confirmations of accounts receivables from customers and assessing the adequacy of allowance for doubtful accounts.
- Considering the appropriateness of the Group's disclosures in respect of revenues.

Goodwill impairment testing

We refer to the Group's accounting principles and the note 14.

At the balance sheet date, the value of goodwill amounted to 16.198 k€ representing 38 % of the total assets and 63 % of the total equity. Procedures over management's annual impairment test for goodwill were significant to our audit because the test involves estimates. The Group management applies judgment in determining assumptions in respect of future market and economic conditions such as economic growth, revenue and margin developments.

Our audit procedures to address the risk of material misstatement relating to the impairment testing included, among others:

- Involving valuation specialists to assist us in evaluating the assumptions and methodologies used by the Group in the testing, in particular those related to the determination of weighted average cost of capital.
- Evaluating key assumptions included in the impairment testing with a focus on the projected financial information and testing the allocation of the assets, liabilities, revenues and expenses to each of the cash generating units.
- Assessing retrospectively the outcome of the management's prior year estimates.
- Considering the appropriateness of the Group's disclosures in respect of impairment testing.

Joint venture SaraRasa

We refer to the Group's accounting principles and the note 16.

The Group holds a share in a pellet production group SaraRasa Bioindo ("SaraRasa"), which is equity accounted for as a joint venture in the Group's consolidated financial statements. The share of the loss in the joint venture amounted to 846 k€ in the consolidated statement of comprehensive income. An impairment loss of 756 k€ for the share of the joint venture was recognized in the parent company's separate financial statements. SaraRasa's financial information involves some uncertainties, because the joint venture's audited statutory financial statements have been prepared significantly later than the Group's consolidated financial statements.

Our audit procedures to address the risk of material misstatement relating to the joint venture included, among others:

- Assessing the compliance of the Group's accounting policies over accounting for joint ventures with applicable accounting standards.

- Analysing the results of the statutory audits for the years 2014 and 2015 which were completed during 2016.
- Requesting the joint venture's statutory auditors to report us their major findings in respect of the joint venture's interim financial statements.
- Considering the appropriateness of the Group's disclosures in respect of joint ventures.

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

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.

Espoo, 22 February 2017

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
Authorized Public Accountant

CORPORATE GOVERNANCE STATEMENT 2016

8. CORPORATE GOVERNANCE STATEMENT 2016

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**. 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.

Up-to-date information about the company's corporate governance is available on the company's website, **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 bulletins 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-yearly 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

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's internal audit assesses and ensures the sufficiency and effectiveness of the Group's internal control. It also assesses the efficiency of the Group's various business processes, the sufficiency of the Group's risk management procedures, and compliance with internal guidelines. The Board of Directors is responsible for internal audit. The Group's internal audit is coordinated by the Group's CFO.

EXTERNAL AUDIT

According to the Articles of Association, Dovre Group shall have a minimum of one (1) and a maximum of two (2) auditors certified by the Finnish Central Chamber of Commerce (Authorized Public Accountants). Should the General Meeting appoint only one principal auditor and should this auditor not be an audit corporation, or should the General Meeting deem it otherwise necessary, the General Meeting may choose to appoint a minimum of one (1) and a maximum of two (2) deputy auditors. The term of the auditors 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. In calculating the company-specific deferred tax assets, the effective tax rate of each country is applied. Deferred tax assets have not been recognized for the Group's losses as it has been estimated that a future use of the losses is not probable in near future.

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 information of a public company's insider register required by the previous legislation is available on the company's website. The list presents the information concerning those individuals that were identified as the company's public insiders on July 2, 2016, when the company's public insider list was terminated. The information will be available on the company website for 12 months of the closure of the company's public insider list.

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 bulletins 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 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 2016

Annual General Meeting

Dovre Group's Annual General Meeting was held in Helsinki on March 17, 2016.

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 Aloysius (Louis) Harrewijn. The other members were Ilari Koskelo and Christian Bull Eriksson. All members of the Board were independent of the company and significant shareholders. Until the Annual General Meeting held on March 17, 2016, the Board of Directors consisted of Rainer Häggblom (Chairman), Tero Viherto (Vice Chairman), Ilari Koskelo, and Arja Koski.

In 2016, the Board convened 13 times, with an attendance rate of 94 per cent. The Group's CFO Heidi Karlsson acted as the Secretary of the Board of Directors.

BOARD MEMBER ATTENDANCE AT MEETINGS:	
Häggblom, Rainer	10/13
Harrewijn, Louis	9/9
Eriksson, Christian Bull	9/9
Koskelo, Ilari	13/13
Koski, Arja	4/4
Viherto, Tero	4/4

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, 2016, Patrick von Essen held a total of 675,000 options and a total 132,000 shares in Dovre Group Plc.

Group Executive Team

At the end of 2016, the members of the Group Executive Team were Patrick von Essen (CEO), Heidi Karlsson (CFO), Stein Berntsen (President, business area Consulting), Arve Jensen (President, business area Norway), Ole Olsen (President, business area Asia Pacific), and Frank Ween (President, business area Americas & EMEA). Olsen and Ween are also the Group's largest individual shareholders through their controlled companies.

Based on the information obtained from Euroclear Finland Ltd, on December 31, 2016, members of the Group Executive Team held, either in person and/or through a company, a total 36,736,509 shares in Dovre Group Plc and a total of 1,205,000 stock options. Each stock options 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, 2016:

NAME	SHARES	OPTIONS
Berntsen, Stein (Member of the Group Executive Team)	0	200,000
Eriksson, Christian Bull (Member of the Board)	26,410	0
Harrewijn, Louis (Vice Chairman of the Board)	30,012	0
Häggblom, Rainer (Chairman of the Board)	97,295	0
Jensen, Arve (Member of the Group Executive Team)	80,000	475,000
Karlsson, Heidi (Member of the Group Executive Team)	130,000	380,000
Koskelo, Ilari (Member of the Board)	4,817,691	0
Olsen, Ole (Member of the Group Executive Team)	18,300,000	50,000
von Essen, Patrick (CEO)	132,000	675,000
Ween, Frank (Member of the Group Executive Team)	18,226,509	100,000

Information includes also ownership through controlled companies.

External audit

In 2016, the Group's auditor was Ernst & Young Ltd., Authorized Public Accountants, with Mikko Järventausta, APA as the principal auditor.

REMUNERATION IN 2016

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 2016, the proposal for the remuneration of the Board of Directors came from shareholders, who represented over 25 per cent of all shares and votes in the company.

The Annual General Meeting held on March 17, 2016, 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 of Directors in 2016:

MEMBER	ANNUAL REMUNERATION, EUR	NO. OF SHARES PURCHASED *)
Häggblom, Rainer (Chairman)	35,000	42,016
Harrewijn, Louis (Vice Chairman)	25,000	30,012
Eriksson, Christian Bull	22,000	26,410
Koskelo, Ilari	22,000	26,410
Total	**104,000**	**124,848**

*) 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.

Based on the terms and conditions of employment of the CEO, Patrick von Essen's compensation consists of an annual salary of EUR 215,040 (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 2016, CEO Patrick von Essen's total compensation for his role as the company's CEO was EUR 202,194 for 2016. Based on the information obtained from Euroclear Finland Ltd, on December 31, 2016, Patrick von Essen held a total 675,000 stock options and a total 132,000 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 option 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 2016, the total salaries and benefits of the Group Executive Team members, not including the CEO, were EUR 696,028. Performance bonuses totaled EUR 135,590.

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

In 2016, the company had two open option plans, 2010 and 2013, both directed to the Group's key personnel. Each stock option entitles the holder to subscribe one share in Dovre Group Plc.

The 2010 option plan was approved by the company's Board of Directors in their meeting on May 27, 2010 based on the authorization given by the Annual General Meeting held on April 18, 2007. The share subscription price and period per series under the 2010 option plan are as follows:

- 2010C: Subscription price EUR 0.27; subscription period March 1, 2014–February 28, 2017.

The subscription period for Dovre Group Plc's 2010B option plan ended on February 28, 2016. No shares were subscribed for under the option plan. The remaining 395,000 stock options expired as unused. At the end of 2016, a total of 570,000 stock options were outstanding under the 2010C option plan.

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 0.44; subscription period March 1, 2017–February 28, 2020.

At the end of 2016, the company had granted a total of 2,450,000 options under the 2013 option plan and had in reserve a total of 550,000 options.

The full terms and conditions of the company's option plans 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 17, 2016, 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, 2017. 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 2016.

Board members December 31, 2016

Rainer Häggblom
Chairman of the Board

M. Sc. (For.),
M. Sc. (Econ. and Business Admin.)
Member of the Board since March 14, 2013
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

Aloysius (Louis) Harrewijn
Vice Chairman of the Board

B. Sc. in Technical Business Administration
Member of the Board since March 17, 2016
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

Christian Bull Eriksson
Member of the Board
since March 17, 2016

M. Sc. in Chemical Engineering
Chairman of the Board/CEO of the Norwegian IK-Group AS,
CEO of IK-Norway AS since 2006
b. 1956, Norwegian citizen

Key employment
Plugging Specialist International AS (now TDW Offshore Services AS): Managing Director
Smedvig ASA (now Seadrill Ltd): CEO
Halliburton AS (Rockwater and Brown & Root): Country Manager (Norway)

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.

Group Executive Team on December 31, 2016

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
Poyry 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

Ole Olsen
President, business area APAC
Member of the Group Executive
Team since May 2015

B. Sc. Mech., MBA
b. 1962, Norwegian citizen

Key employment
Dovre Group (Singapore) Pte Ltd: President 2015 – present
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

Frank Ween
President, business area
Americas & EMEA
Member of the Group Executive
Team since May 2015

B. Sc. (Eng.)
b. 1971, Norwegian citizen

Key employment
Norwegian Petroleum Consultants AS: CEO 2010–2011 and 2012–2015;
Lead Automation Engineer seconded to BP 2011–2012
Engineering Partners AS: Executive Chairman 2005–2010;
Company Rep. Projects & Part of VOS Team Valhalla,
seconded to BP 2005–2008;
Technical Lead SAS seconded to Mollier 2004–2005;
Lead SAS Engineer seconded to Aker Offshore Partners 2002–2004
ABB Offshore Systems AS: Senior Instrument Engineer 2000–2002
Kværner ASA: Kværner Oil & Gas, Lead Field Engineer EIT,
Package Engineer, Senior Instrument Engineer 1998–2000;
Kværner Installasjon, Lead EIT Operator (Foreman),
Electrician 1991-1997


ULKOASU: DESIGN JYRI K

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