



A warning and fine imposed to Dovre Group Plc for breaching the Rules of the Exchange

Helsinki, December 1, 2022 – The Disciplinary Committee of Nasdaq Helsinki Ltd has imposed a warning and a fine of EUR 40,000 to Dovre Group Plc (trading code: DOV1V) due to the breaches of the Nordic Main Market Rulebook for Issuers of Shares (the “Rules”) of Nasdaq Helsinki Ltd (“the Exchange”). Dovre Group Plc (“the Company”) breached the Rules on the disclosure of inside information when announcing agreements of its subsidiary in May and October 2021. Furthermore, the Company breached the Rules on organizing the administration of the listed company.

Events

On May 28, 2021 the Company had disclosed a release, classified as inside information, stating that its subsidiary Suvic Oy, that was acquired on March 31, 2021, had started three significant wind farm constructions in May. The information on the execution of Puskakorpi wind farm agreement had been received by the subsidiary on May 19 and by the Company on May 20, 2021. According to the Company’s published Information policy this construction agreement had been considered significant and as such to be disclosed as inside information. The Company had handled the execution notice as inside information, but the Company had neither decided to delay its disclosure or notified the Financial Supervisory Authority about the delayed disclosure. Further, a third party of the Puskakorpi wind farm project had published a press bulletin on May 26, 2021, being available on the internet, including information on the participation of Company’s subsidiary to the whole construction project of the wind farm.

Also, on October 4, 2021 the Company had disclosed wind farm construction agreements concluded by its subsidiary during summer 2021. The release had been marked as inside information and disclosed under the class of inside information. After, when reviewing the matter, the Company had stated that the agreements had not exceeded the defined threshold of materiality as applicable by the Company’s Information policy and were not inside information. The disclosed stock exchange release mentioning the start of the wind farms constructions and their joint value did not include false information on constructions agreements as such. The Company had not treated those agreements as inside information at the time.

Content of the regulations

According to the Rules and the Market Abuse Regulation the inside information shall be disclosed as soon as possible in such a manner that information is available in a non-discriminatory way enabling fast access by the public and that a complete, correct and timely assessment of the information can be made. The regulation requires that information is available for investor simultaneously. The regulation allows the delayed disclosure of the inside information on the responsibility of the issuer, if the requirements for the delay are fulfilled, and the decision on the delay must be notified to the Financial Supervisory Authority. However, the binding regulation does not allow the listed company to avoid or evade its disclosure obligation for example by entering into an agreement with another party stating that the information should not be disclosed.

Further, according to the Rules, it is prohibited to provide false or misleading information upon fulfilling the disclosure obligation.

According to the Rules the Issuer shall have in place adequate working procedures both at the level of the Board of Directors and within the management. Furthermore, the issuer shall arrange its administration, including financial reporting and monitoring, in a manner enabling the compliance with its obligations as a listed company. The purpose is that the listed company can provide the market with timely, reliable, accurate and up-to-date information.

The purpose of the regulation is, for its part, to secure public confidence to the securities markets as well as the possibilities of the Exchange to arrange equal and reliable market venue.

Disclosure of inside information

The Disciplinary Committee states in its decision that the Company should, based already on its practice, have disclosed the execution of the Puskakorpi construction agreement on May 19, 2021 or should have decided to delay its disclosure if the requirements on delay had existed. Because the disclosure of a material construction agreement have taken place not until on May 28, 2021, the Company has neglected to disclose the inside information on Puskakorpi project as soon as possible in accordance with the rule 3.1.1 of the Rules and article 17 of the market abuse regulation. The Disciplinary Committee finds in this case that the delay of the disclosure of inside information is significant. In addition the Disciplinary Committee states that the issuer shall take care of that, in relation to business acquisitions, its legal position as a listed company will be properly taken into consideration. The issuer cannot to avoid or evade its disclosure obligation based on a secrecy provision. The conclusion of the Disciplinary Committee is that the Company has breached the rule 3.1.1 and rules 14 and 15 (i) of the Supplement B of the Rules.

Provision of misleading information

According to the Disciplinary Committee it is the responsibility of an issuer to assess whether an information concerning it is inside information, so, for example, what agreements prepared and negotiated from time to time are potentially material to the value of its share. The Company said that the incorrect disclosure was deriving its origin from the Company's ambiguous information policy and from a human error when interpreting it. Also, there was the difficulty to follow the disclosure threshold which was result from the quick growth and doubling of the revenue figure, used as a benchmark. Further, the Company stated that the size of wind farm project compared to revenue forecast was only slightly below the disclosure threshold (10%) defined by it. That could have supported the publishing of the release as inside information when disclosing the execution of wind farm project. The Disciplinary Committee states in the decision that the reasons for the error presented by the Company, even though partly understandable, do not in this case decrease or remove the relevance of the incorrect operation when assessing the breach. When it comes to securities markets and investors the conduct of the Company was inappropriate and it can be interpreted also as misleading.

The Disciplinary Committee concludes in its decision that the Company has breached the rule 3 of the Supplement B of the Rules concerning the prohibition on providing misleading information. The Company had provided incorrectly named and categorized information when disclosing information that it in fact did not consider as inside information. Taking into consideration firstly that the Company had earlier in 2021 disclosed information of similar types of wind farm constructions and secondly that the release on October 4, 2021 was not expressed to include otherwise incorrect information, the error occurred with the disclosure by the Company cannot in this case be considered as particularly serious or objectionable when assessing its potential misleading nature.

Organization of the administration

Based on the information received, the Disciplinary Committee states that the Company's administration and disclosing of information have been aimed to be organized by the Company in such a manner that the

Company can comply with rules of the disclosure obligation. This is indicated by the fact that the Company has had the information policy and person in charge of informing. Also, for example, the Company provided altogether seven profit warning releases during the period of two and half years' time when the growth of the company was fast. In addition, the information policy defines the actions of the Company if the information affecting materially to the value of its security is leaked prematurely and unintentionally to the public.

Despite of the above mentioned the Disciplinary Committee states that there also has been severe deficiencies in the administration of the Company regarding the releasing of exchange information. As a listed company the Company should have more carefully prepared itself to the practical impacts of the acquisition disclosed on March 31, 2021 regarding the disclosure obligation and the procedure of internal information flow in the new situation between the Company and its subsidiary. The Company has, per se, admitted that its administration relating to the informing on wind farms constructions of Suvic Oy had not been organized in accordance with the rules.

The Disciplinary Committee states also in its decision that the conduct of the Company when disclosing the releases of May 28 and October 4, 2021 has been contradictory with its own information policy. This and the above mentioned events relating to the releases indicate the lack of knowledge when applying the rules for listed company especially on defining the inside information, timing of the disclosure and the classification of releases. Partly this is indicated also by the reminder that was imposed to the Company by the Exchange's Market Surveillance. The Company had on October 27, 2021 published a profit warning late by disclosing it on the next day after it had been decided.

The Company had not made the notification of the decision on the delay to the Financial Supervisory Authority after the disclosure of the release of May 28, 2021 and the Company had neither presented having specifically decided or what grounds to delay the disclosure of the inside information relating to the execution of the Puskakorpi project. However, the Company had started to obtain a publication permit from its contractual party. The Disciplinary Committee says in the decision that this indicates, firstly, that it has not been clear for Company when a decision to delay the disclosure could have been made and secondly, that the Company was not properly prepared for disclosing the inside information relating to the Puskakorpi wind farm. The permission needed for the disclosure should have been obtained in advance.

After assessing the matter as whole, the Disciplinary Committee concludes in the decision that the Company has not organized its administration in accordance with Exchange's rules when informing about the wind farm constructions started in May, August or October 2021. Thus, the Company has breached the rules 2.15.1 a) and 2.15.3 a).

Assessment of sanctions

The Disciplinary Committee states in the decision that according to the Company it has during the present year corrected all previous deficiencies regarding releasing of information, disclosure of inside information, good governance and internal procedures. The Company has taken actions to improve internal knowledge on exchange rules and its information policy by educating key persons. Also, it has updated its information policy and processes to avoid ambiguousness in the future. Furthermore according the Company, it has improved the internal communication of information especially relating to the agreement phase.

When assessing the sanctions, the Disciplinary Committee has taken into account the corrective actions by the Company. These remedial actions made afterwards cannot however be given a crucial relevance in the sanctions assessment. The Disciplinary Committee states in the decision that the several consecutive but as separate considered rule breaches which occurred in quite short period of time have been partly substantial and concerned the basic obligations of the Company as a listed company. The negligence of timely and

correctly disclosure can have a weakening effect on the position of investors and the trustworthiness of the operation of the securities markets and the Exchange.

Based on the aforementioned, and taking into account the assessment of the whole, the Disciplinary Committee states in its decision that in this case the Company shall be imposed a warning and a fine of EUR 40,000.

Surveillance at Nasdaq Helsinki and the Disciplinary Committee

The surveillance unit of Nasdaq Helsinki Ltd investigates all suspected breaches of regulations. Minor breaches will result in reprimand to the company, whereas more serious cases are referred to the Disciplinary Committee. The members of the Disciplinary Committee are legal and financial experts independent of Nasdaq Helsinki Ltd. The members of the Committee are Mr. Ari Kantor, Justice, Supreme Court of Finland; Mrs. Helena Kontkanen, L. of Laws and trained on the bench; Mr. Kari Hietanen, Master of Laws, Executive Vice President; Mr. Markku Savikko, M. of Laws; and Mr. Sami Torstila, D. Sc, M. of Laws, Associate Professor. The sanctions may be a reprimand, a fine or in an utmost case a delisting. For more information about the Disciplinary Committee please visit <https://www.nasdaq.com/solutions/helsinki-disciplinary-processes>

Nasdaq Nordic Foundation

The Disciplinary Committees of Nasdaq Helsinki, Nasdaq Copenhagen and Nasdaq Stockholm may, in case of a breach by a member or a listed company, resolve to fine the member or the listed company. The paid fine is transferred to the Nasdaq Nordic Foundation for the promotion of the foundation's objective, which is to promote scientific research of the financial markets in Finland, Denmark and Sweden, providing impetus for increased competence and competitiveness for these financial markets. Three of the directors of the Foundation shall have extensive academic experience within the field of financial markets.

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Form 10-K, and periodic reports filed with the U.S. Securities and Exchange Commission. We undertake no obligation to release any revisions to any forward-looking statements.

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