

Nasdaq Stockholm
Arcam AB

Decision

The Disciplinary Committee orders Arcam Aktiebolag (publ) to pay a fine to Nasdaq Stockholm corresponding to annual fees for two years.

Motion

The shares in Arcam Aktiebolag (publ) ("Arcam" or the "Company") are admitted for trading on Nasdaq Stockholm (the "Exchange"). Arcam has signed an undertaking to comply with the Exchange's Rule Book for Issuers applicable from time to time (the "Rule Book").

The Exchange has alleged that Arcam violated the Rulebook and has requested that the Disciplinary Committee adjudicate the violations and determines a reasonable sanction.

Arcam has admitted to the violations with which the Company has been charged by the Exchange but has claimed that the Company did not intend to violate the Rule Book.

On October 19, 2016, a hearing was held in the matter at which the Exchange was represented by Karin Ydén (Head of Issuer Surveillance), Andreas Blomquist (Senior Legal Counsel) and Niklas Ramstedt (Regulatory Compliance Specialist). Arcam was represented by the Company's CEO, Magnus René, and advisor Mats Holmer.

The Disciplinary Committee's assessment

Background

In a final letter dated November 10, 2014, the Exchange criticised Arcam in a matter which, *inter alia*, related to the Company's disclosure of information in respect of system orders. In the matter, the Exchange had observed that the Company failed to provide information re-

garding order value in any of the Company's press releases regarding system orders which were published in 2013 and 2014. After first establishing that the Company had treated most of the press releases as price sensitive information, above all in light of the fact that they contained a reference to the publication of information pursuant to the Swedish Securities Market Act (2007:528), the Exchange concluded that information regarding order value could hardly be omitted, unless the Company otherwise included information which made possible an assessment of the impact of the order on the Company; Arcam failed to do this in the instances in questions. In the final letter, the Exchange also brought Arcam's attention to the fact that a number of statements by the Company's CEO in an interview with *Nyhetsbyrån Direkt* could be seen as potentially price sensitive information, as well as the importance of media contact taking place in a correct manner, so that the Company would not violate the Rule Book's prohibition against selectively providing price sensitive information. The Exchange decided not to turn the matter over to the Disciplinary Committee but reserved the right to reassess its decision if this were to happen again.

Violations with which the Exchange has charged Arcam in this matter

The Exchange has stated: On December 22, 2015, Arcam published a press release with information that the Company had received its largest order to date, an order for 10 EBM systems. The release contained a statement that the information was the type of information which must be published pursuant to the Swedish Securities Market Act but there was no information regarding the order value. The press release had a positive effect on the Company's share price. On the same day, shortly after the publication of the press release, *Nyhetsbyrån Direkt* published an interview with the Company's CEO, who stated that the price of each system which had been ordered was in the SEK 4–7 million range which the Company usually stated. The Exchange has determined that the Company violated items 3.1.2 and 3.1.5 of the Rule Book by providing incomplete information in the press release of December 22, 2015 (no information about the order value) and by shortly thereafter providing price sensitive information selectively (the information that the order value for each system was within a stated range). The Exchange finds the violations to be serious, particularly in light of the previous criticism.

Arcam has stated: Arcam stipulates to the Exchange's statements regarding the press release of December 22, 2015 and the interview on the same day, and Arcam admits that the Company violated items 3.1.2 and 3.1.5 of the Rule Book in the manner asserted by the Exchange. However, Arcam wishes to emphasise that the Company aims high in its disclosure of information. The reason why information regarding order value was omitted was that such information was not deemed interesting to the market, since the financial significance and strategic ramifications of an order of this type were well known. Apart from the customer's identity, the interesting issue was the number of orders, and the Company reported all orders. The

fact that the announcement of the order in the December 22, 2015 press release had a formidable impact on the price, while the information in the interview regarding the order value price range did not, also indicates that the significant factor for the market's assessment of the Company's prospects was the number of orders. The Company was also prevented from disclosing the order value because of the customer's requirement of confidentiality. In step with the Company's growth, individual orders for machinery have, however, become less interesting and the Company has thus changed its informational policy so that only production orders in excess of SEK 20 million or orders that have other strategic value are announced in press releases. The Company will, in the future, state order values, customarily as a range.

Assessments

In this matter, the Rule Book as worded prior to July 3, 2016 shall apply.

Item 3.1.2 of the Rule Book states that information disclosed by the company shall be correct, relevant and clear, and must not be misleading (first paragraph). Moreover, it prescribes that information regarding decisions, facts and circumstances must be sufficiently comprehensive to enable an assessment of the effect of the information disclosed on the company, its financial result and financial position, or the price of its securities (second paragraph). The provisions must be interpreted in light of the general clause in item 3.1.1, which states that information about decisions or other facts and circumstances that are price sensitive must be disclosed as soon as possible.

The Disciplinary Committee concludes that the order which Arcam announced in the press release of December 22, 2015 was price sensitive in nature. Even if the Company believed that the order *per se*, as well as the customer's identity, were the important points of information, the Committee believes that the information cannot be deemed sufficiently clear to enable a correct assessment of the significance of the order to the Company and its financial position, since the Company did not provide any information about the order value. Accordingly, Arcam has (as was also admitted by the Company) violated item 3.1.2 of the Rule Book. The fact that Arcam felt impeded from providing information about order value in light of the customer's requirement for confidentiality does not lead to any other conclusion, since application of the Rule Book is not discretionary. In addition, the Company believed that there was no impediment to its stating the order value within a range in the interview with the Company's CEO published on the same day.

Item 3.1.5 of the Rule Book states that information to be disclosed must be disclosed in a manner that ensures fast access to the public of such information on a non-discriminatory basis. Providing information regarding the range of the order value as was done in the interview of December 22, 2015 instead of – as should have been the case pursuant to the aforesaid – providing the information in the press release entailed a violation of item 3.1.5.

The Disciplinary Committee concludes that despite the Exchange's previous criticism, Arcam continued to provide incomplete information in a press release and, at the same time, to provide information selectively.

The Committee therefore finds the imposition of sanctions unavoidable. The sanction should reasonably be imposed as a fine corresponding to annual fees for two years.

On behalf of the Disciplinary Committee,

A handwritten signature in black ink, appearing to read 'Ann-Christine Lindeblad', written in a cursive style.

Ann-Christine Lindeblad

Justice of the Supreme Court Ann-Christine Lindeblad, MBA Ragnar Boman, *Advokat* Wilhelm Lüning, Director Carl-Johan Högbom, and Former Authorised Public Accountant Bo Magnusson participated in the Committee's decision.