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NASDAQ STOCKHOLM

DECISION

4 June 2020

DISCIPLINARY COMMITTEE

2020:06

Nasdaq Stockholm

Hitech & Development Wireless Sweden Holding AB (publ)

DECISION

The Disciplinary Committee orders Hitech & Development Wireless Sweden Holding AB to pay Nasdaq Stockholm a fine corresponding to eight times the annual fee.

Motion

The shares in Hitech & Development Wireless Sweden Holding AB (publ) (“HDW” or the “Company”) are admitted to trading on Nasdaq First North Growth Market, a trading venue of Nasdaq Stockholm AB (the “Exchange”). The Company has signed a commitment to comply with the Exchange’s Rule Book for Nasdaq First North Growth Market in force from time to time (the “Rule Book”).

The Exchange has argued that HDW violated generally acceptable behaviour in the Swedish securities market by having violated the Takeover Rules for certain trading venues (the “Takeover Rules ”), as well as section 4.1 of the Rule Book, by having made public inside information in a manner that was not complete and correct.

Citing section 6.3 of Supplement B to the Rule Book, the Exchange has moved that the Disciplinary Committee consider the violations of the Rule Book and order an appropriate sanction.

HDW has declined to respond and has deferred to the Disciplinary Committee to consider the issues in the matter.

Neither of the parties requested an oral hearing. The Disciplinary Committee has reviewed the documents in the matter.

Reasons for the decision

The Rule Book

Pursuant to Supplement B to the Rule Book, an issuer whose shares are admitted to trading on Nasdaq First North Growth Market must comply with generally acceptable behaviour on the securities market.

Pursuant to section 4.1 of the Rule Book, an issuer must publish inside information in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council (the Market Abuse Regulation, “MAR”)

Pursuant to Article 17(1) of the MAR, an issuer shall ensure that the inside information is made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public.

Considerations

On 3 October 2019, the Swedish Securities Council published an opinion (AMN 2019:33) concerning the voluntary offer to acquire all shares in MVV Holding AB (“MVV”), traded on NGM Nordic MTF, which was made public by HDW on 18 July 2019. In the opinion, the Swedish Securities Council noted that HDW had, in various respects, violated the Takeover Rules since HDW – prior to its voluntary takeover offer issued to the shareholders of MVV – had, in various press releases, publicly disclosed information which gave an impression that the Company was obliged to issue a bid, despite the Company’s position that no bid obligation had arisen. The Swedish Securities Council referred, *inter alia*, to a press release dated 28 February 2019, in which reference was made to “the bid obligation”, a press release dated 18 March 2019 in which it was stated that the Company “has completed the acquisition of the equivalent of 52.85% of the shares in MVV Holding AB from KUREN AB” and that “MVV would be consolidated in the accounts as from the second quarter of 2019”, and of 23 April 2019 through a letter from the CEO which was published as a press release, which repeated that consolidation would take place. The Swedish Securities Council held that the Company had violated section I.4 of the Takeover Rules, which stipulates the requirement that information that is made public in connection with a takeover bid must be correct, relevant and clear, and that the Company had violated section II.1 of the Takeover Rules by, in connection with the takeover offer, failing to have engaged expertise from parties familiar with the Swedish stock market and its rules and regulation.

The Exchange has asserted: the Company violated sections 1.4 and II.1 of the Takeover Rules, which express generally acceptable practice on the Swedish securities market. Through the relevant violations of the Takeover Rules, the Company has thus also violated Supplement B to the Rule Book.

The Exchange notes also that the information in the Company’s press releases dated 28 February 2019 and 18 March 2019 comprised inside information and that the Company thus, also in this respect, had an obligation to ensure that the publicly disclosed information in question allowed for a complete and correct assessment thereof. The Company thus also violated Article 17 of the MAR and consequently section 4.1 of the Rule Book.


The Company has asserted: HDW declines to comment in the matter and defers to the Disciplinary Committee to assess the alleged violations of the Rule Book.

The Disciplinary Committee notes that, pursuant to the Swedish Securities Council's opinion 2019:33, the Company has violated sections 1.4 and II.1 of the Takeover Rules. The Takeover Rules constitute one of the most important expressions of generally acceptable practice on the securities market (which is also specifically emphasised in the Rule Book), with which issuers, pursuant to the Rule Book, are obliged to comply. The Company has thus violated Supplement B to the Rule Book.

With respect to disclosure of information by the Company, the Disciplinary Committee notes that, according to the Company, HDV had no obligation to make a bid for the shares in MVV since the MVV shares did not vest in the Company before the Company issued a voluntary takeover bid for the shares in MVV. Despite this, in the press releases of 28 February 2019 and 18 March 2019, both of which were stated to contain inside information, the Company stated that it had acquired 52.85% of the voting capital in MVV from Kuren and that, following the acquisition, the Company would make a public takeover offer for other shares in MVV and, in so doing, would "offer other shareholders same terms due to the bid obligation". The content of the press releases was thus incorrect and the press releases have thus not been formulated in a manner which allows for a complete and correct assessment of the relevant inside information. The Company has thus violated Article 17.1 of the MAR and section 4.1 of the Rule Book.

To summarise, the Disciplinary Committee believes that HDW violated generally acceptable practice on the Swedish securities market, and thereby Supplement B to the Rule Book, as well as section 4.1 of the Rule Book. The Disciplinary Committee considers the Company's behaviour to be particularly serious since it is of great importance for confidence in the Swedish securities market that market players comply with the Takeover Rules. The Disciplinary Committee orders the sanction of a fine corresponding to eight times the annual fee.

On behalf of the Disciplinary Committee

A handwritten signature in blue ink, appearing to read 'Marianne Lundius', is shown on a light blue background.

Marianne Lundius

Former Justice Marianne Lundius, economist Ragnar Boman, authorised public accountant Magnus Svensson Henryson, attorney Patrik Marcelius and company director Anders Oscarsson participated in the decision.

Secretary: Jur.dr Erik Lidman