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NASDAQ STOCKHOLM'S

DECISION

5 March 2021

DISCIPLINARY COMMITTEE

2021:02

Nasdaq Stockholm

Modern Times Group MTG AB

DECISION

The Disciplinary Committee orders Modern Times Group AB to pay a fine to Nasdaq Stockholm corresponding to two times the annual fee.

Motion

The shares in Modern Times Group AB (publ) ("MTG" or the "Company") are admitted to trading on Nasdaq Stockholm (the "Exchange"). MTG has signed an undertaking to comply with the Exchange's rules for issuers applicable from time to time ("Rule Book").

The Exchange has alleged that MTG violated section 3.1 of the Rule Book through inside information having been available on the Company's website before the information was published correctly. With reference to section 35 in Supplement D of the Rule Book, the Exchange has moved that the Disciplinary Committee evaluate the violations of the Rule Book and impose a reasonable sanction.

MTG has stipulated to the facts in the case.

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

Reasons for the decision

The Rule Book

Pursuant to section 3.1 of the Rule Book applicable at that time, an issuer shall make public, as soon as possible, inside information in accordance with Article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (“MAR”).

Pursuant to Article 17 of the MAR, the issuer shall inform the public as soon as possible of inside information which directly concerns that issuer. The inside information must be made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public. Pursuant to Article 2 of Commission Implementing Regulation (EU) No. 2016/1055 of 29 June 2016 (the “Implementing Regulation”), such public disclosure of inside information shall take place using technical means that ensure that the information is disseminated to as wide a public as possible on a non-discriminatory basis.

Considerations

On 6 February 2020 at 1:58 PM, Dagens Industri published an article with information that the Company's profit for the fourth quarter of 2019 had, according to information which was claimed to appear in presentation material available on the Company's website, doubled as compared with the corresponding period the preceding year. Immediately after the publication of the article, trading in the Company's class B shares increased. At 2 PM on the same day, the Company published its financial statement release for 2019 in a press release. The press release contained a reference that the information was of the type that the Company was obligated to make public pursuant to the MAR.

The Exchange has argued: It is undisputed in the matter that it was possible - through the publishing tool for the Company's website and searches on the correct filename - to obtain inside information from the Company's financial statement release before it was published in a press release. Inside information from the Company's financial statement release was thus made available during ongoing trading before information had been made public in a press release in a regulatory-compliant manner. It is further undisputed that Dagens Industri obtained such inside information through the website and subsequently published it two minutes before the Company's publication of the financial statement release. The Exchange is of the opinion that, consequently, MTG cannot be deemed to have ensured a non-discriminatory publication of inside information in the manner prescribed in Article 17 of the MAR and Article 2 of the Implementing Regulation. Accordingly, the Company violated section 3.1 of the Rule Book.

The Company has argued: MTG published the financial statement release for Q4 as well as for the 2019 calendar year and accompanying press release at 2:00 PM on 6 February 2020 through Cision. Information regarding the financial statement release was not made public on the Company's website prior to the publication through Cision. However, preparations had been made, such as the report and the presentation regarding the financial statement release being uploaded into the publishing tool on the Company's website before the press release was distributed which, in turn, is likely to have resulted in the information leakage. The Company's understanding is that Dagens Industri was able, by means of “information phishing”, to obtain information about the financial statement release from the publishing tool before it was made public on the website. MTG and responsible employees are aware of the Company's obligations under MAR and the Rule Book. MTG takes a very serious view of the incident and the Company has taken technical measures for the purpose of ensuring that what happened will not happen again.

The Disciplinary Committee observes that it is undisputed that inside information was accessible on the Company's website before the information was made public in accordance with Article 17 of the MAR and Article 2 of the Implementing Regulation. The Company thereby violated section 3.1 of the Rule Book. It is, moreover, well known that the method for gaining access to the information prior to its publication which appears to have been used in this case has been used previously in a number of cases and that the Exchange has, on repeated occasions, encouraged issuers to review systems and routines for publication of financial reports on their websites for the purpose of avoiding leakage. In light of this, the Disciplinary Committee takes a serious view of the violation of the Rule Book.

The Disciplinary Committee observes that MTG violated section 3.1 of the Rule Book. The Disciplinary Committee takes a serious view of the violation and determines the sanction at a fine corresponding to two times the annual fee.

On behalf of the Disciplinary Committee,

Marianne Lundius

Former Justice Marianne Lundius, Justice Ann-Christine Lindeblad, authorised public accountant Magnus Svensson Henryson, *Advokat* Erik Sjöman, and company director Anders Oscarsson participated in the Committee's decision

Secretary: Erik Lidman, J.D.