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NASDAQ STOCKHOLM

DECISION

10 Sep 2021

DISCIPLINARY COMMITTEE

2021:06

Nasdaq Stockholm

European Lingerie Group AB (publ)

Decision

The Disciplinary Committee orders European Lingerie Group AB to pay a fine to Nasdaq Stockholm of SEK 400,000.

Motion

Until 29 June 2021, European Lingerie Group AB (publ) (“ELG” or the “Company”) had bonds admitted to trading on Nasdaq Stockholm AB (the “Exchange”). The Company has signed a commitment to comply with the Exchange’s Nasdaq Stockholm’s Rule Book for Issuers of Fixed Income Instruments in force from time to time (the “Rule Book”).

The Exchange has asserted that the Company has violated Chap. 16, sec. 4 of the Securities Market Act, Chap. 7, sec. 10 of the Companies Act as well as 3.3.6 in combination with 3.3.1 and 3.1 of the Rule Book.

Citing section 4 of the Rule Book, the Exchange has requested that the Disciplinary Committee assess the alleged violations of the Rule Book and impose a reasonable sanction.

ELG has admitted the violations of the Rule Book.

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 3.3.2 of the Rule Book, the issuer shall prepare and disclose all financial reporting pursuant to applicable legislation and relevant accounting standards.

Pursuant to 3.3.6 of the Rule Book, the issuer shall disclose resolutions adopted by the general meeting of shareholders, unless such resolutions are insignificant. Pursuant to 3.3.1 of the Rule Book, such disclosure shall take place in accordance with 3.1 of the Rule Book.

Pursuant to Chap. 16, sec. 4 of the Securities Market Act (2007:528), the issuer shall disclose its annual report and, where appropriate, consolidated financial statements, as soon as possible and not later than four months after the end of each financial year.

Pursuant to Chap. 7, sec. 10 of the Companies Act (2005:551), an annual general meeting shall be held within six months of the end of each financial year, at which the board of directors shall present the annual report and auditor’s report.

Considerations

On 29 April 2020, ELG disclosed that the Company had decided to postpone publication of the annual report for 2019. Thereafter, the Company disclosed on a number of occasions that the Company had decided to postpone publication of the annual report. It was not until 24 August 2020 that the Company finally published the annual report. On 18 August 2020, the ELG issued a summons to attend the annual general meeting on 25 August 2020. However, the Company published no communiqué from the annual general meeting. On 30 September 2020, the Exchange sent a number of questions to the Company. The Company responded through a written communication dated 8 October 2020. On 9 October 2020, the Company disclosed on its website a communiqué from the annual general meeting.

The Exchange has asserted: The Company disclosed its annual report for 2019 on 24 August 2020, i.e. not within the four month deadline prescribed by Chap. 16, sec. 4 of the Securities Market Act, and the Company has therefore violated Chap. 16, sec. 4 of the Securities Market Act and section 3.3.2 of the Rule Book. As a consequence of the delayed annual report, the Company was unable to hold an annual general meeting until 25 August 2020 and thus violated the six-month deadline set forth in Chap. 7, sec. 10 of the Companies Act and section 3.3.2 of the Rule Book. The Company's communiqué from the general meeting was thereafter not published on the Company's website until 9 October 2020. Accordingly, the information was not disclosed either as soon as possible or in a non-discriminatory manner and, consequently, the Company has also breached 3.3.6 in combination with 3.3.1 and 3.1 of the Rule Book.

The Company has asserted: The Company admits the violations of the Rule Book as asserted by the Exchange. However, the Company wishes to emphasise that the violations were attributable to the difficult situation in which ELG found itself due to the Covid 19 pandemic. In the middle of May 2020, ELG's liquidity was so strained that the Company was unable to pay due interest on its outstanding corporate bonds and, accordingly, due to the very difficult and uncertain financial situation the Company was unable to complete its annual report on time.

The Disciplinary Committee notes that it is not contested that the Company violated the Rule Book. The Disciplinary Committee considers the violations to be serious, and therefore a fine shall be paid as a sanction. This assessment is not changed by the fact that the violations were in part attributable to the ongoing pandemic. The fine is set at SEK 400,000.

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

The following have participated in the Committee's decision: former Justice Marianne Lundius, director Carl Johan Högbom, director Anders Oscarsson, attorney Erik Sjöman and director Joakim Strid.

Secretary: Jur.dr. Erik Lidman