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Nasdaq Copenhagen’s Decisions and Sanctions 2021

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1. MAIN MARKET

1.1. SANCTIONS

SHARES

1.1.1. Late disclosure of changes to the management

(FirstFarms A/S)

On 5 October 2020 FirstFarms A/S (the company) disclosed an announcement of changes in the company´s management. The announcement stated that the company had hired a new CFO per 1 October 2020. The announcement also stated that the previous CFO would continue in the company.

According to rule 3.5.1 in Nasdaq Nordic Main Market Rulebook for Issuers of Shares (the rulebook), a company must disclose changes in the company´s management.

The guidance text for the rule states that the group of persons indcluded in the management is dependent on the company and the company´s management structure. It also states that the CEO and CFO as a minimum always is covered by the rule. Furthermore, the obligation to disclose changes to the company´s management arises when the company takes a decision, or when the company becomes aware of the individual concerned having taken a decision.

According to section 3.2.1 in the rulebook, information to be disclosed in accordance with rule 3.5.1 shall be disclosed in the same manner as information disclosed in accordance with rule 3.1. in the rulebook. That means that changes to the management shall be disclosed as soon as possible.

Based on that Surveillance requested the company to explain why the disclosure happened on 5 October when the employment took effect from 1 October.

The company explained that the employment of the new CFO did not constitute inside information and that the CFO is not part of the executive board nor registered as such with the Danish Business Authority. Therefore, the company did not consider the employment to be covered by a disclosure obligation. Instead, the company intended to publish a press release of which no time requirement applies. In connection with preparation of the press release, the company decided to check that there was no disclosure obligation, so a company announcement had to be prepared instead. Then the company became aware of the guidance text to rule 3.5.1, which states that the CEO and CFO are always covered by Nasdaq´s rules on changes to the management, and subsequently disclosed a company announcement.

The Disciplinary Committee noted that a company admitted to trading is expected to be aware of the rules and assessed that the company had violated rule 3.5.1, cf. rule 3.2.1, by not disclosing the changes to the management by 1 October 2020 at the latest. The Disciplinary Committee decided to reprimand the company.

1.1.2. Late disclosure of quarterly report (new – 13 December 2021)

(Djurslands Bank A/S)

On 30 October 2020 the company disclosed its quarterly report for third quarter. The quarterly report was dated 29 October.

Issuers are not required to disclose quarterly reports. However, if a company decides to disclose quarterly reports, the rules for half-year reports in Nordic Main Market Rulebook for Issuers of Shares Supplement A, Part C, item 15-17, cf. item 14, applies.

When an issuer has decided to disclose quarterly reports, the disclosure shall take place as soon as possible and no later than 3 months after the end of the relevant period, cf. item 17. That means that a quarterly report shall be disclosed as soon as possible after its completion, discussion and approval from the board of directors, even if this takes place at an earlier time or date than what is mentioned in the company calendar.

Based on that the company was requested to explain why the report was disclosed on 30 October, when it was dated on 29 October.

The company explained that the report originally should have been approved and disclosed on 30 October after a board meeting the same day. Because of the situation with COVID-19 the company decided to hold the board meeting as a telephone meeting on 29 October in the evening. Following the board meeting the company decided that disclosure should take place the following morning, i.e. on 30 October, because the market based on the company calendar only expected that the report would be disclosed on that date and a disclosure on 29 October could have created more “noise” than information.

The company explained that it had not been aware of the fact, that the rules for half year reports also applied to quarterly reports and that had been an element in the decision to disclose on 30 October.

The Disciplinary Committee noted that the date mentioned in the company calendar does not prevail over the obligation to disclose as soon as possible.

On that background the Disciplinary Committee assessed that the company had violated Supplement A, Part C, item 15-17, cf. item 14 in Nordic Main Market Rulebook for Issuers of Shares by disclosing the quarterly report on 30 October in the morning.

The Disciplinary Committee decided to reprimand the company.

INVESTMENT FUNDS

1.1.3. Late disclosure of half-year report

(Kapitalforeningen SDG Invest)

On 28 August 2020 at 10:20 Kapitalforeningen SDG Invest (the association) disclosed an announcement with the association´s half-year report for 2020. In the half-year report the management statement is dated 27 August 2020.

According to rule 4.2.11 in Rules for issuers of UCITS-shares Nasdaq Copenhagen (the rulebook) the issuer must disclose an interim report for the first six months of each financial year. The interim report shall be disclosed immediately upon board approval, however, no later than two months after the end of the relevant period.

Based on that Surveillance requested the association to explain why the half-year report for 2020 was disclosure on 28th August 2020 when it was dated on 27th August 2020.

The association explained that the half-year report should have been discussed at a board meeting on 27 August which had to be cancelled. Instead, the half-year report was sent to be discussed electronically and approved by the board members electronically. The final signature was given on the evening of 27 but this was not noted until the following morning. The employee who usually disclose announcements was not present at the office that morning and training of an additional employee had previously been planned to take place the following week but had thus not taken place on the day the half-year report was to be disclosed. Therefore, the association had to ask the distribution service provider for assistance to disclose the half-year report.

The association also highlighted that the half-year report did not contain inside information and that the half-year report should not be able to influence the prices of the UCITS-shares as the association submits the net asset value as required, and is traded with a market maker who is obliged to set prices on the basis of the current daily prices of the underlying assets.

The Disciplinary Committee assessed that the association had violated rule 4.2.11 in the rulebook by disclosing the half-year report the day after its final approval. The Disciplinary Committee decided to reprimand the association.

1.1.4. Late disclosure of resolutions from the general meeting (new – 13 December 2021)

Three issuers of UCITS-shares disclosed the resolutions from the general meeting respectively 1, 2 and 7 days after the close of the general meeting.

An issuer shall disclose an announcement with the resolutions from the general meeting in accordance with rule 4.2.6 in Rules for issuers of UCITS-units (Regler for udstedere af UCITS-andele). The rule explains that the announcement shall be disclosed as soon as possible after the close of the general meeting.

Based on that, the issuers were asked to explain why the resolutions from the general meeting only was disclosed respectively 1, 2 and 7 days after the general meeting.

The first issuer explained that they over a course of several years had considered disclose before market opening the next day to be in line with Nasdaq's practice.

The second issuer explained that they had forgotten about the requirement.

The third issuer explained that the 7-day delay was caused by a public holiday and unfortunately also lack of due diligence.

Based on the explanations from the issuers the Nasdaq Copenhagen Disciplinary Committee assessed that the resolutions from the general meeting for each individual issuer had not been disclosed as soon as possible. Therefore, each of the issuers had violated rule 4.2.6 in the rulebook.

The Disciplinary Committee decided to reprimand the issuers and decided that publication of the resumé of the decisions could take place without the issuers' names.

BONDS (BLANK)

MEMBERS (BLANK)

1.2. STATEMENTS

2. FIRST NORTH

2.1. SANCTIONS

SHARES

2.1.1. Late disclosure of resolutions from the general meeting

The company disclosed an announcement containing the resolutions adopted by the general meeting. According to the announcement the annual general meeting had been held 9 days prior the disclosure.

According to rule 4.2.3.b in Nasdaq First North Growth Market Rulebook (the rulebook) the issuer must disclose resolutions adopted at the general meeting. In section 4.2.1 in the rulebook information in accordance with rule 4.2.3.b shall be disclosed in the same manner as information disclosed in accordance with rule 4.1. in the rulebook. That means that the resolutions adopted by the general meeting shall be disclosed as soon as possible after the close of the general meeting.

Based on that Surveillance requested the company to explain why the resolutions adopted by the general meeting was disclosed 9 days after the general meeting had been held.

The company explained that they did not know that resolutions adopted by the general meeting was covered by a disclosure obligation and therefore had to be disclosed.

On the basis of the company´s explanation Nasdaq Copenhagen´s Disciplinary Committee assessed that the resolutions adopted by the general meeting had not been disclosed as soon as possible and the company had violated rule 4.2.3.b in the rulebook. The Disciplinary Committee decided to reprimand the company and the decision should be disclosed without stating the name of the company.

2.1.2. Disclosure of half-year report after deadline

(Hypefactors A/S)

On Monday 5th October 2020 at 16:42 Hypefactors (the company) disclosed its half-year report for the first half of 2020.The disclosure was made on the scheduled date according to the company´s financial calendar.

Surveillance made the company aware by e-mail on 2nd October 2020 around 12:00 that the deadline for the disclosure of the half-year report had ended on 30th September 2020 and therefore instructed the company to disclose the half-year report as soon as possible.

The company confirmed the receipt of the e-mail on 2nd October around 13:30 og replied that the company would “rectify it as soon as possible”.

According to rule 4.4.(b) in First North Growth Market Rulebook (the rulebook) the company must disclose a half-year report.

The half-year report shall be disclosed no later than 2 months after the end of the accounting period, cf. rule 4.4(c).

Due to COVID-19 Nasdaq Copenhagen issued a notice in 2020 that the deadline for disclosure of, among other things, half-year reports for companies on First North Growth Market were temporarily extended to 3 months. This only applied until the end of 2020.

That meant that the deadline for the disclosure of the half-year report ended 30th September 2020 instead of 31st August 2020.

Based on that Surveillance requested the company to explain the events

The company explained that there had been a misunderstanding in connection to the COVID-19 related extension of the deadline. When Surveillance approached the company, the company assessed if the half-year report could be disclosed in a reassuring manner. However, one of the board members was not available during the weekend and therefore the disclosure could not take place before 5 October. The company informed that the disclosure materialized immediately after the board had processed and approved the half-year report.

The Disciplinary Committee assessed that the company had violated the requirement in rule 4.4(c) in the rulebook (as well as Nasdaq´s temporary extension) to disclose within the extended 3 month deadline, that expired 30 September 2020, by disclosing the half-year report on 5 October 2020 at 16:42. The Disciplinary Committee decided to reprimand the company.

2.1.3. Removal from trading because of non-compliance with requirements for admission to trading and disclosure requirements

(Green Impact Ventures A/S, prev. Waturu Holding A/S)

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In case of discrepancies the Danish version shall prevail.

The company was admitted to trading on 20 May 2019. Trading in the company's shares was suspended on 23 December 2020, because there was material uncertainty as to whether the company complied with First North Growth Market Rulebook. The company's share has been suspended up until the date of the decision because it was an extensive and complex case to investigate before trading possibly could have been resumed. Based on the Disciplinary Committee's decision the trading in the company's shares remained suspended in a period corresponding to the period, where the company could file a complaint in accordance with the capital markets act.

This section contains three parts. A description of individual violations, a description of critique from the Disciplinary Committee and a description of the Disciplinary Committee's considerations on choice of sanction.

First North Growth Market Rulebook is referred to as ”FNGM Rulebook”. Nasdaq Copenhagen Surveillance is referred to as ”Surveillance”. Green Impact Ventures A/S is referred to as “the company”.

Individual violations

a) Disclosure of non-regulatory information

During second half of 2019 the company disclosed a number of company announcements with information on different topics.

According to rule 4.1 in FNGM Rulebook an issuer shall disclose inside information in accordance with article 17 in the market abuse regulation. The disclosure of inside information cannot be combined with marketing of the issuer's activities.

The company had confirmed that some of the announcements did not contain inside information or were subject to another disclosure requirement in the FNGM Rulebook. Additionally, Surveillance has assessed that some of the company announcements combined the disclosure of inside information with marketing of the company's activities.

During the period, the company was informed that that type of information cannot be disclosed in company announcements.

For many reasons it can be appropriate or beneficial to ensure high transparency about an issuer's activities, but if the information is not subject to a disclosure requirement it may not be presented as such or as information that is likely to affect the price of the instrument. If done so, it entails a risk of misleading the market, that can disturb the proper functioning of the market. Thus, that type of communication must take place via other channels than company announcements, for instance investor news or press releases.

Surveillance had not performed an assessment of all the company's announcements, because at least four announcements disclosed during that period, was assessed to be sufficient to conclude, that a violation had taken place.

Based on that, the Disciplinary Committee found that the company has violated rule 4.1 in FNGM Rulebook in four instances by disclosing non-regulatory information in a way, where it could be understood as inside information and by combining the disclosure of inside information with marketing of the company's activities.

b) Agreement with large hospital

In June 2019 the company disclosed a company announcement informing that the company had made an agreement with a large regional hospital with an aim to assess the effectiveness of a solution that could remove bacteria in water for use at hospitals.

In connection with the case handling, the company explained, that the company had assessed that the company announcement contained inside information.

According to rule 4.1 in FNGM Rulebook an issuer shall disclose inside information in accordance with article 17 in the market abuse regulation. The inside information shall be disclosed in a way that enables fast access and complete, correct and timely assessment of the information.

The Disciplinary Committee based its assessment on the company's information on that it was inside information. The Disciplinary Committee found that the announcement contained information that could be characterized as marketing of the company's activities and thus could not be disclosed in combination with inside information.

The Disciplinary Committee found that the description of the inside information in the company announcement was insufficient, because important information is missing. Due to that there was not sufficient information to enable a complete, correct and timely assessment of the inside information and therefore the company had violated rule 4.1 in the FNGM Rulebook.

c) Valuation of subsidiary

The assessment of this violation was complex and is based on comprehensive correspondence between Surveillance and the company. The conclusion in this section concerns whether the information on the valuation of the subsidiary and the information about that the subsidiary would be admitted to trading in 2020 complied with the requirement that inside information shall be disclosed in a way that enables fast access and complete, correct and timely assessment of the information.

In the end of 2019, the company disclosed multiple announcements, where it was stated that the company's subsidiary would be admitted to trading based on a valuation on 250 MDKK. In connection with that the company announced that capital already had been raised at a lower valuation but the same investor had committed to invest at the higher valuation when the company would be admitted to trading.

According to rule 4.1 in FNGM Rulebook an issuer shall disclose inside information in accordance with article 17 in the market abuse regulation. The inside information shall be disclosed in a way that enables fast access and complete, correct and timely assessment of the information.

The Disciplinary Committee found that the company announcements should have contained information about prerequisites, uncertainties and conditions that possibly could do, that the plans on admission to trading could not be executed or could not be executed within the mentioned timeframe.

The same applied for the information on the valuation of the subsidiary, where the market should have been informed further about the prerequisites of the valuation, uncertainties and what factors that could have caused a higher or lower valuation.

Overall, the Disciplinary Committee concluded that, the information about admittance to trading and the valuation of the subsidiary was not disclosed in a manner that enabled a complete, correct and timely assessment of the inside information and therefore the company had violated rule 4.1 in the FNGM Rulebook.

The Disciplinary Committee additionally notes that it is very serious when the market is receives information that it not described in an adequate manner. It can be misleading and can cause that investors lose confidence in the company and First North Growth Market.

d) Information about arbitration case

In its annual report for 2019 the company informed about a possible expense on DKK 1.614.000 and at the same time stated expected legal costs around EUR 100.000, if the case was lost.

The case was lost in June 2020. At that time the company did not consider it to be inside information. When the case was finally settled in February 2021, the company disclosed a company announcement, where the company considered it to be inside information "based on the company's situation", whereby there among other things was referred to the fact that trading in the company's shares was suspended.

According to rule 4.1 in FNGM Rulebook an issuer shall disclose inside information in accordance with article 17 in the market abuse regulation. That means that inside information must be disclosed as soon as possible.

Surveillance requested that the company explained why the company had concluded it was not inside information, when the company initially lost the case. The company explained that it was because the company's market capitalization at the time was approx. MDKK 425 and that the company "was not pressured on its liquidity". Additionally, the company at that time, expected to let two subsidiaries admit to trading and in connection with that sell some of the shares.

Thus, the company did not believe that the criterion on "significant effect" (cf. the definition of inside information) was fulfilled because of the market capitalization on MDKK 425 at the time and expected liquidity flow from sale of shares in subsidiaries.

The Disciplinary Committee assessed that the criterion on significant effect should be understood as information a reasonable investor would be likely to use as a part of the bases of his or her investment decisions.

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Based on the company's actual circumstances in June 2020, the Disciplinary Committee considered, that a "reasonable investor" as a part of their investment decision would consider the actual legal costs amounting to approx. MDKK 1,5 to be a relatively large part of the company's actual liquidity at that time.

The Disciplinary Committee assessed that the case constituted inside information for the company in June 2020 which triggered the disclosure obligation. Therefore, the Disciplinary Committee concluded that the company had violated rule 4.1 in FNGM Rulebook by disclosing the outcome of the case in February 2021.

e) Subsidiary submitted for compulsory dissolution

On 19 January 2021, the Danish Business Authority sent the company´s subsidiary (operating company) for compulsory dissolution. The reason was that the company's and the operating company´s auditor had resigned on 18 December 2020. The companies were given 4 weeks to register a new auditor. The company had requested the Danish Business Authority for an extension of the deadline, but it was unclear why the operating company was sent for compulsory dissolution anyway.

On 19 January 2021 the Danish Business Authority had sent a letter informing about the compulsory dissolution to the operating company´s digital mailbox. The mailbox was by mistake still linked to a mailbox belonging to a former employee, so the mailbox was not active. Therefore, the operating company had not checked the digital mailbox for approximately 4 months.

The information could be read in an article via an online media on 20 January 2021. On that basis, Surveillance contacted the company. The company confirmed that the operating company had received information about compulsory dissolution from the Danish Business Authority and the company disclosed an announcement with the information on 20 January 2021 at 16.44.

The company explained that it had become aware of the letter to the operating company on 20 January 2021 due to article in the media and they were already preparing to disclose an announcement when Surveillance contacted the company.

According to rule 4.1 in FNGM Rulebook an issuer shall disclose inside information in accordance with article 17 in the market abuse regulation. That means that inside information must be disclosed as soon as possible.

The Disciplinary Committee assessed that the obligation to disclose arose at the time when the letter arrived at the digital mailbox, rather than at the time the letter came to the attention of the company´s CEO. Although the letter had not been read by the company until 20 January 2021, the Disciplinary Committee therefore assessed that the disclosure obligation arose on 19 January 2021.

The assessment includes, that the Disciplinary Committee generally accepts that "as soon as possible" may include a period where information is forwarded from a subsidiary to the parent company. However,

in this case, the lack of control of the mailbox and the fact that that the company's CEO was also CEO of the subsidiary, the Disciplinary Committee did not include such a period in the assessment.

Therefore, the Disciplinary Committee concluded that the company had violated rule 4.1 in FNGM Rulebook by not disclosing information about that the company´s operating company had been sent to compulsory dissolution as soon as possible.

f) Changes, clarifications and revocations of previously disclosed company announcements

On 8 April 2021 the company disclosed an announcement with main points from the company´s annual report for 2020 as well as "changes, clarifications and revocation of previously issued company announcements".
The changes, clarifications and the revocations related to a long list of information that the company had previously disclosed, which the company then chose to change, clarify or revoke. A part of the previously disclosed announcements included inside information.

According to rule 4.1 in FNGM Rulebook an issuer shall disclose inside information in accordance with article 17 in the market abuse regulation. That means that inside information must be disclosed as soon as possible. That also means that significant changes, that in itself may constitute inside information, also shall be disclosed as soon as possible.

Announcement number 68 was disclosed during the suspension period in which the company had presumably reviewed previous communication to the market. The announcement was apparently intended to give a summary status of previously disclosed information so the market hereafter had updated and accurate information.

It is essential for the investors' trust in the company and to the marketplace, and thus the proper functioning of the market, that the information available to the market is continuously accurate and therefore it also essential that changes to previously disclosed information is disclosed as soon as possible.

The Disciplinary Committee assessed that the reason for announcement number 68 was that the company for a longer period of time, had not clarified or corrected previously disclosed information. This meant that the market in the same period had traded on the basis of information that was not up-to-date and accurate.

Therefore, it was crucial for to ensure transparency and thus of the proper functioning of the market for the company´s share that announcement 68 was disclosed, so that information in the market thereafter presumably would be correct and complete. Thus, announcement 68 did not constitute a violation of the rules, but the announcement confirmed previous breaches where the company had not disclosed the mentioned changes, clarifications revocations as soon as possible.

The Disciplinary Committee further noted that it was very unusual for a company to be forced to change/clarify/revoke previously disclosed announcements to such an extent and such a long time after disclosure. For the Disciplinary Committee, this reflected, in their view, that the company had not had the capacity to provide accurate, complete and timely information to the market.

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Based on that, the Disciplinary Committee concluded that the company had repeatedly violated rule 4.1 by not disclosing changes, clarifications or revocations of previously disclosed inside information as soon as possible.

The Disciplinary Committee considered it to be very serious that the market had been misinformed for a longer period of time.

g) Change of auditor

The company had been made aware of the auditor´s intention to resign. The auditor submitted his reasons for resigning as auditor for the company and the other companies in the group during an ongoing period to the Danish Business Authority on 7 December 2020.

On 18 December 2020, the auditor made the registration with the Danish Business Authority. On the same day, the company had received notice from the auditor that the registration would take place. Upon the auditor´s registration with the Danish Business Authority, the registration in relation to the company was chosen for manual processing, while the registration for the other companies in the group took place automatically. Thus, the registration for the subsidiaries were published in the CVR-register on 18 December 2020, while publication in the CVR- register concerning the company had not been published.

In accordance to rule 4.2.4 in FNGM Rulebook an issuer shall disclose changes of an auditor as soon as possible. The disclosure shall take place at the time of the change.

The Disciplinary Committee noted that the company considered the process surrounding the auditor´s resignation to be chaotic as the company had received, what the company itself perceived, as conflicting messages from different parties.

The Disciplinary Committee did not find that there could be any doubt that the auditor wanted to resign and that the company was informed by the auditor that the auditor had resigned and would register the resignation with the Danish Business Authority on 18 December 2020.

The Disciplinary Committee did not consider that the time of publication in the CVR- register determined when the disclosure obligation arose, even though this time differed from the time when the notification to the Danish Business Authority took place.

Based on that, the Disciplinary Committee concluded that the company had violated rule 4.2.4(b) in FNGM Rulebook by disclosing it to the market on 19 January that the auditor had resigned.

h) Disclosure of annual report

Pursuant to rule 4.3 in FNGM Rulebook an issuer shall disclose an annual report in accordance with applicable accounting laws. The annual report must be disclosed within 6 months after the end of the financial year. Pursuant to rule 4.4(a) and (c), the issuer shall disclose a financial statement release within 3

months after the end of the financial year. If an issuer chooses to let the annual report replace the financial statement, the annual report must be disclosed no later than 3 months after the end of the financial year.

The company had the calendar year as the financial year. The deadline for disclosing the annual report therefore expired on 31 March. The company disclosed its annual report for 2020 on 8 April 2021 but the full report was only available on the company´s website the following day.

The company had previously announced to the market that the disclosure would not take place until 8 April 2021.

The reason why disclosure took place at that time was due to the company´s overall situation and the fact that the company had a new auditor who had to review the company´s historical accounting material in connection with the audit of the annual report for 2020.

Based on, the fact that the company made the annual report available on its website on 9 April 2021, while the deadline expired on 31 March 2021, the Disciplinary Committee found that the company had thereby violated rule 4.3(a), cf. 4.4(a) and 4.4(c). The deadline on 31 March 2021 was based on the company letting the annual report replace the annual financial statement announcement.

The Disciplinary Committee recognized that the delay was partly due to the company having a new auditor who had to familiarize with the company and the historical accounting material but the rules 4.3(a) and 4.4(c) are objective and all deadlines exceeded are considered a violation regardless the underlying cause.

i) Provision of information to Surveillance

The Disciplinary Committee assessed that the overall course of events showed that the company had not been able to respond to a number of inquiries from Surveillance in a adequate manner. This meant that Surveillance have had to ask the company to answer questions or explain the same matter several times. This had contributed to longer processing time for certain individual cases and at the same time, had also meant that the company had not been sanctioned earlier.

In this case, the Disciplinary Committee considered that the company´s difficulties with responding to the inquiries from Surveillance had been so extensive that is should be considered as a violation of the rules, which could have been sanctioned separately if the matter had not already been part of a larger case.

By that, the Disciplinary Committee assessed that the company had violated rules 2.1(c) and 4.8(b) in FNGM Rulebook.

j) Conditions for admission to trading

This section relates to the company´s relationship with Certified Advisers, the company´s organization and its capacity for providing information to the market. These are some of the requirements that are set out in connection with admission to trading and which apply continuously throughout the admission to trading. The requirements are set out in rules 1.2, 2.1(c), 2.3.4, 2.3.5, 2.3.6 and 4.8(a).

The Disciplinary Committee concluded that there was a specific violation of rule 2.3.4 in relation to the company´s compliance with the requirements for the issuer´s organization. Among other things, the Disciplinary Committee based this on the fact that the company had made many changes in the management, including changes of the management in the subsidiaries and among its advisers and auditors. It was also an element of the assessment that the overall picture showed that the management had not had the necessary qualifications and competencies to lead a company admitted to trading and comply with the requirements in that regards.

The Disciplinary Committee also found sufficient reason to conclude that the overall course of events, as well as the number of violations documented, that the company had not had the capacity to provide information to the market as required by rule 2.3.5 in FNGM Rulebook.

In the assessment, the Disciplinary Committee also included that the company in general has been inconsistent in assessing whether various matters were covered by a disclosure obligation in a way that made the company more reluctant to disclose “negative news” than “positive news”. For example, the company awaited formalities before the market was informed about the arbitration case, cf. point d) and the auditor´s resignation, cf. point g). At the same time, the announcement number 68 confirmed that a number of “negative” news” had not been disclosed on an ongoing basis.

The threshold for when the company had chosen to disclose “positive” news” had been relatively low, which is illustrated by, as an example, the announcements reviewed under point a), which all contain “positive” news” and where the announcements contained marketing of the company’s activities.

In addition, there was doubt as to whether the company´s relationship with its first Certified Adviser meant that the company, in the given period, in reality did not have a Certified Adviser in accordance to rule 1.2 and 2.3.6 in FNGM Rulebook.

The relationship with the Certified Adviser is significant and a strained relationship may mean that the issuer does not receive the advice and guidance that is necessary, which is seems to have had an impact on the company´s compliance with the rules in this case.

Overall, there were some fundamental deficiencies in the company’s organization that were of significant importance for the assessment of a company´s suitability to be admitted to trading.

<u>Critique for certain additional matters</u>

The Disciplinary Committee decided to criticize the company for the handling of the disclosure of the patent to a subsidiary and the missing information about board members’ independency on the website. The latter is not usually sanctioned but is included in the overall assessment of the company.

The Disciplinary Committee also criticized that the company had not provided sufficient information to on its Certified Advisers, so that the Certified Adviser had to request the information multiple times.

<u>Choice of sanction</u>

The Disciplinary Committee noted that this was a very unusual case, because it included a significant number of violations and types of violations where there were limited previous practice.

The Disciplinary Committee can decide on three sanctions.

The first possibility is to reprimand the company for each individual violation. The company was reprimanded for the following violations:

- Disclosure of non-regulatory information, cf. section a)
- Disclosure of agreement with hospital, cf. section b)
- Disclosure of valuation of subsidiary, cf. section c)
- Disclosure of information about arbitration case, cf. section d)
- Disclosure of information about subsidiary sent to compulsory dissolution, cf. section e)
- Changes, clarifications and revocations of previous company announcements, cf. section f)
- Disclosure of change of auditor, cf. section g)
- Disclosure of annual report, cf. section h)
- Information to Surveillance, cf. section i)
- Requirements regarding issuer's organization, cf. section j)
- Requirements regarding capacity to provide information, cf. section j)

When a case includes a large number of violations or significant violations, the Disciplinary Committee can decide to impose a fine on the company or decide to remove the company's shares from trading.

The Disciplinary Committee assessed that this case was an extraordinary and severe case, partly because of the large number of violations and because of the overall assessment of the company's compliance with the rules in FNGM Rulebook. Therefor the Disciplinary Committee found it relevant to consider what sanction to impose on the company in addition to the mentioned reprimands.

The requirements when imposing a fine means, that it must be a serious or repeated violation of the rules, and when determining the amount of the fine, Nasdaq shall take into consideration the seriousness of the breach and any other relevant circumstances. The Disciplinary Committee have not previously fined companies on First North Growth Market, so previous practice relates to companies in the Main Market. According to the Nordic Main Market Rulebook, Supplement A, Part G, rule 27 an issuer in the regulated market can be sanctioned with a fine of up to 3 times the annual fee issuers' pay for being admitted to trading. The amount cannot be less that DKK 25.000 or exceed DKK 1.000.000. Based on previous practice the Disciplinary Committee concluded that it would be possible to sanction the company with a fine according to rule 6.2.1(a)(ii) in the FNGM Rulebook.

When removing a company's shares from trading the requirements are higher, and it is required that the issuer has committed a serious breach of the rules or that the issuer through its failure to comply may damage or has damaged public confidence in Nasdaq, First Forth Growth Market or the securities markets. Additionally, removal from trading cannot take place, if it is likely that it will cause significant damage for the investors' interests or the orderly function of the market. This is stated in § 108 in the capital

markets act. The requirement in .6.2.1(d) is interpreted in the same way, so the assessment can be combined.

The Disciplinary Committee emphasizes that there are 11 matters that individually could be sanctioned with reprimands to the company, including two matters that includes several instances and certain matters that the Committee considers to be serious. That especially is the case for the disclosure of the information about the subsidiary and all the information mentioned in announcement no. 68. As described above the Disciplinary Committee considers it to be very serious that the market has been misinformed in a longer period.
However, the Disciplinary Committee recognized that it had been necessary for the new auditor to perform an extensive amount of work with the companies accounts and annual report, resulting in the late disclosure of the annual report.

Finally, the Disciplinary Committee emphasized that the company had violated some of the requirements for admission to trading, because the company's organization had not fulfilled the requirements and that the company's capacity for providing information to the market had been inadequate.

Based on that the Disciplinary Committee concluded that the company had committed a serious breach, as required in rule 6.2.1(a)(iii) in the FNGM Rulebook, meaning that the requirement to remove the company's shares from trading was fulfilled.

However, removal from trading cannot take place, if it is likely that it will cause significant damage for the investors' interests or the proper functioning of the market.

When a company's shares are removed from trading it has, among other things, the consequence that is no marketplace for trading with the company's shares. There will be less possibilities to buy or sell the share, but the shares can still be traded outside a marketplace. For the same reason there will be no market price to refer to.

The removal itself will not mean that the minority shareholders are redeemed. The company will be subject to fewer disclosure requirements which can lead to less transparency. However, the company will still be subject to the rules in the companies act on minority protection and the shareholders' economical and administrative rights in general.

The Disciplinary Committee does not consider the above to be elements are covered by § 108 in the capital markets act.

In the same way, the Disciplinary Committee does not consider a company's missing opportunity to raise capital in the capital markets as an element covered by § 108 in the capital markets act.

The company had submitted a series of arguments stating that it would cause significant damage for the investors' interests or the proper function of the market to remove the company's shares from trading.

The company's arguments were centered around the fact that the company was in a difficult financial situation and that a possible removal from trading would have a negative impact that could mean that the company would go bankrupt.

To support those arguments, the company pointed towards a delegated regulation, that elaborates certain provisions in MiFID II, that is transposed into, among other provisions, § 108 in the capital markets act.

The provisions in the delegated regulation elaborates how “significant damage for the investors and the proper functioning of the market” must be understood.

In the regulation it is stated that it at least would be considered to cause significant damage for the investors’ interests or the orderly functioning of the market, where the financial viability of the issuer would be threatened, such as where it is involved in a corporate transaction or capital raising.

The Disciplinary Committee understood the rule to aim at a specific ongoing transaction or capital raise as opposed to planned transactions that were not yet initiated.

The company had, as an alternative to previous attempts to raise capital, received an investment offer, that the company had disclosed to the market. As the conditional offer was given, the Disciplinary Committee recognized that the offer would lapse if the company’s share was removed from trading. Since the company, based on the information available, had tried all other options to raise capital, it could be argued that removal from trading would threaten the company’s financial viability. Therefore, it could also be argued, that the situation would fall under the delegated regulation, so that removal from trading could not take place.

The Disciplinary Committee did not find that the risk of a company’s bankruptcy in itself can prevent removal from trading with reference to § 108 in the capital markets act. The opposite would mean that Nasdaq would be required to uphold admission to trading of companies in risk of bankruptcy no matter the circumstances and despite non-compliance with Nasdaq’s rulebooks on admission requirements and disclosure obligations for different instruments.

Despite the strict requirements for, when a company can be removed from trading, there will, in accordance with Disciplinary Committee’s practice, be a point in time, where the protection of potential future investors and the orderly functioning of the market will prevail over the considerations and concerns in relation to the company and existing investors.

Nasdaq shall assess the proportionality of the envisaged sanctions. This includes among other things previous practice regarding removal from trading, where it was a part of the Disciplinary Committee’s assessment, that all other alternative solutions should be exhausted.

It is a subjective assessment what constitutes “exhausted”, but in the end there is a limitation as to how far Nasdaq must go to seek alternatives. The starting point is however that Nasdaq must go far to seek alternatives.

The company had from first day of trading and frequently during its admission to trading been contacted by Surveillance with guidance about the rules and request for explanation in relation to a very long list of matters. The company had via both Surveillance and its advisers had numerous chances to change behavior in relation to compliance with the rules.

The company had previously explained to Surveillance and disclosed to the market, that the company “complies with the rules with best efforts”, but it had not changed the company’s actual behavior. Therefore, the Disciplinary Committee was sceptic towards a guarantee from the company that it would comply with the rules in the future.

The Disciplinary Committee did not consider that it was a requirement that a company previously had been sanctioned in order to conclude that all other alternative solutions had been exhausted. In this case

the Disciplinary Committee found this perspective relevant because the company's inadequate responses had caused that it had not been possible to gather sufficient factual information to make possible decisions. Additionally, there had been a "snowball effect" where new matters continuously occurred which added to the already ongoing investigations so that it became most appropriate to assess everything at once.

In that connection, the Disciplinary Committee notes that changes in the organization or measures can be relevant, but it would still be the overall picture of the company's organization and capacity, that would determine, whether it can be concluded, that "all other alternative solutions were exhausted".

If the trading with the company's share should have been resumed it was essential, that it could have happened in a way, where it did not risk damaging the confidence in Nasdaq, First North Growth Market and the securities markets in general.

The company's non-compliance with the rules in FNGM Rulebook, including the company's non-compliance with requirements for admission to trading until then, meant that Nasdaq would have to allocate significant resources to monitor the company and review the company's information to the market. That would be necessary for a longer period and until Nasdaq had gained confidence in that the company fulfilled both the admission requirements and the disclosure obligations.

When the massive use of resources for monitoring one company takes place at the expense of the monitoring of other companies and the market, it has consequences for admission to trading of new companies as well as the overall monitoring of the market. Both are essential for the efficiency of the market thus it is detrimental if the surveillance activities must be concentrated around one or a few companies.

The Disciplinary Committee noted that it could not be expected that there was allocated resources to one company to that extent.

In relation to the assessment the Disciplinary Committee was obligated to perform in relation to the delegated regulation and the principle from Nasdaq's previous practice the Disciplinary Committee assessed that the limit for how far Nasdaq should go to seek alternatives was reached, because Nasdaq otherwise would have to compromise with the protection of the integrity of the market and its orderly functioning.

In addition to the fact that the Disciplinary Committee had concluded that the company had committed a serious breach of FNGM Rulebook, the Disciplinary Committee assessed that the balancing Nasdaq should perform as per the delegated regulation, meant that Nasdaq could impose the stricter sanction (removal) even though milder sanctions was available in the FNGM Rulebook.

As mentioned above removal from trading cannot take place if it is likely that it will cause significant damage for the investors' interests or the orderly functioning of the market.

This assessment includes an assessment of the considerations in relation to existing shareholders. It is also a part of the assessment to consider the balance between protection of existing investors' interests compared to the protection of possible future investors' interests. In previous cases the Disciplinary Committee has stated that there will be a point in time, where the protection of possible future investors and the market's orderly functioning will prevail over the damage a removal from trading will cause for the existing shareholders if the company is removed from trading.

The Disciplinary Committee emphasized that there indisputably would be a need for extraordinarily close monitoring of the company's compliance with the FNGM Rulebook. Additionally, the Disciplinary Committee meant that Nasdaq would not be able to guarantee, that the trading with the company's share could take place in a fair an orderly manner and that could lead to that possible future investors possibly could take on additional risk.

As a final remark, the Disciplinary Committee noted that the company had around 2,200 shareholders, of which around 470 were considered Qualified Shareholders in accordance with rule 2.3.1 in the FNGM Rulebook. The Disciplinary Committee therefore concluded that the majority of the company's shareholders' holdings were below EUR 500.

The Disciplinary Committee's overall conclusion was that the conditions for removal from trading of the company was fulfilled, cf. rule 6.2.1(a)(iii) and that removal from trading based on the above could take place without violating § 108 in the capital markets act and rule 6.2.1(d) in the FNGM Rulebook.

Disciplinary Committee decided to remove the company's shares from trading.

2.1.4. Late disclosure of resolutions from the general meeting (new – 13 December 2021)

Three issuers disclosed the resolutions from the general meeting respectively 1, 1 and 2 days after the general meeting was held.

It is stated in rule 4.2.3.b in Nasdaq First North Growth Market Rulebook, that an issuer shall disclose an announcement with resolutions adapted at the general meeting. It is stated in rule 4.2.1 that information in 4.2 shall be disclosed in the same way as information covered by 4.1. That means, that the resolutions from the general meeting must be disclosed as soon as possible.

Based on that the companies were requested to explain why the resolutions from the general meeting only was disclosed respectively 1, 1 and 2 days after the general meeting.

The first company explained that the company had received external legal advice saying, that disclosure could wait to the following day.

The second company explained that the board of directors had assessed that the announcement did not contain price sensitive information and that disclosure could wait to the following morning before market opening hours.

The third company explained that they had focused on condoning the general meeting under the then-applicable COVID-19 restrictions and in that connection the company had missed the requirement to send out an announcement as soon as possible after the general meeting.

Based on the explanations from the issuers the Nasdaq Copenhagen Disciplinary Committee assessed that the resolutions from the general meeting for each individual issuer had not been disclosed as soon as possible. Therefore, each of the issuers had violated rule 4.2.3.b in the rulebook.

The Disciplinary Committee decided to reprimand the issuers and decided that publication of the resumé of the decisions could take place without the issuers' names.

2.1.5. Late disclosure of annual report (new – 13 December 2021)

(Hypefactors A/S)

On 28 March the company contacted Nasdaq Surveillance to get clarification on the deadline for disclosure of the company's annual report. Surveillance informed that the deadline for disclosure was 31 March 2021.

In the beginning of April Surveillance contacted the company several times to learn when the company's annual report would be published. The company explained that the annual report was under preparation and would be disclosed as soon as it was completed and approved by the board. The company disclosed the annual report on 16 April 2021.

According to rule 4.3(a) in First North Growth Market Rulebook a company shall disclose an annual report. According to rule 4.4(a) companies shall disclose an annual financial statement release. The deadline for disclosure of the annual statement release was at that time 3 months. If a company does not disclose an annual financial statement release the company shall disclose annual report instead. Additionally, the annual report must be disclosed as soon as possible after its approval in the board.

Based on that the company was asked to explain the course of events in relation to the disclosure of the annual report. The company agreed that the deadline had been crossed and explained that they had tried to mitigate the effects of the missing annual report by disclosing certain key numbers in a separate announcement on 6 April 2021.

The Disciplinary Committee assessed that the company had violated the requirement in 4.3(a), cf. rule 4.4(a) in First North Growth Market Rulebook by disclosing the annual report on 16 April 2021.

The Disciplinary Committee decided to reprimand the company and additionally noted that the course of events was unsatisfactory considering that the company less than a year earlier had been reprimanded for late disclosure of a half-year report.

2.1.6. Late disclosure of resolutions from the general meeting (new – 13 December 2021)

(Mdundo.com)

On 27 October 2021 the company disclosed an announcement to the market with the resolution from a general meeting held on 26 October.

It is stated in rule 4.2.3.b in Nasdaq First North Growth Market Rulebook, that an issuer shall disclose an announcement with resolutions adapted at the general meeting. It is stated in rule 4.2.1 that information in 4.2 shall be disclosed in the same way as information covered by 4.1. That means, that the resolutions from the general meeting must be disclosed as soon as possible.

Based on that the company was requested to explain why the resolutions from the general meeting was disclosed 27 October when the meeting was held on 26 October.

The company explained that it had awaited the signed minutes from the chairman of the general meeting and disclosed the announcement immediately after they received the minutes. The company later confirmed that the company had become aware that the requirement to disclose the resolutions from the general meeting did not relate to the full minutes, but only to the resolutions adopted at the general meeting.

Based on the company's explanation the Nasdaq Copenhagen Disciplinary Committee assessed that the resolutions from the general meeting had not been disclosed as soon as possible. Therefore, the company had violated rule 4.2.3.b in the rulebook.

The Disciplinary Committee decided to reprimand the company.

In accordance with the practice of the Disciplinary Committee decisions on reprimands for late disclosures of the resolutions of the general meeting are published without the name of the issuer. Since the company less than a year earlier also had been reprimanded by the Disciplinary Committee for late disclosure of the resolutions of the general meeting, the Disciplinary Committee decided, that the resume of the decision in this case should be made public with the name of the issuer.

BONDS (BLANK)

MEMBERS (BLANK)

CERTIFIED ADVISERS (BLANK)

2.2. STATEMENTS

3. GENERAL STATEMENTS (BLANK)