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NASDAQ STOCKHOLM'S

DECISION

10 November 2022

DISCIPLINARY COMMITTEE

2022:07

Nasdaq Stockholm

Euroafrica Digital Ventures AB

DECISION

The Disciplinary Committee orders Euroafrica Digital Ventures AB to pay a fine to Nasdaq Stockholm corresponding to five times the annual fee.

Motion

The shares in Euroafrica Digital Ventures AB ("Euroafrica" or the "Company") are admitted for trading on Nasdaq First North Growth Market (the "Exchange"). The Company has signed an undertaking to comply with the Exchange's rules for issuers applicable at the relevant time ("Rule Book").

The Exchange has argued that in connection with a directed cash issue carried out by the Company in the fall of 2021, Euroafrica violated generally accepted practice on the stock market and, consequently, the Rule Book by failing to inform shareholders and the stock market in a comprehensive and clear manner the reasons for disapplying the shareholders' preemptive rights or regarding how conformity with market conditions has been ensured in relation to the issue price.

The Company has stipulated to the facts in the matter.

A hearing in the matter was held before the Disciplinary Committee on 8 November 2022, at which the Exchange was represented by Elias Skog (Head of Enforcement & Investigations), Christine Malmberg (Senior Associate General Counsel), and Henrik Hammargren (Legal Counsel). Euroafrica has been represented by CEO Peter Persson, Chairman of the Board of Directors Johan Nordin and Director Josefine Hamilton.

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 Sweden must comply with generally accepted practice on the securities market.

The Stock Market Self-Regulatory Committee's Recommendation regarding directed cash issues (the "Recommendation") expresses that which is good practice on the stock market with respect to cash issues of shares.

Pursuant to the Recommendation, where an issuer decides on a directed share issue based on authorisation granted by a general meeting, the issuer shall inform the shareholders and the stock market in the press release regarding the Board of Director's proposal or decision regarding the issue concerning the reasons for disapplying the shareholders' preemptive rights, how the issue price has been or will be determined, and how market conditions have been or will be ensured.

Considerations

On 10 November 2021, Euroafrica published a press release stating that its Board of Directors had decided on a directed share issue at a subscription price of SEK 5.55 per share - representing an issue discount of approximately 20 percent compared to the volume weighted average price over 20 days prior to the decision to carry out the issue. The following was stated with respect to the reasons for disapplying the shareholders' preemptive rights as well as conformity with market conditions in relation to the issue price:

The Directed Share Issue will provide the Company with issue proceeds of approximately SEK 11 million before transaction-related costs. The subscription price amounts to SEK 5.55 per share and represents an issue discount of approximately 20 percent compared to the 20-day volume weighted average price (VWAP), which the Company considers to be consistent with market conditions for this type of transaction.

The reason for the Directed Share Issue, and the reasons for disapplying the shareholders' preemptive rights, are that it makes it possible for the Company to raise working capital in a sufficiently timely and cost-effective manner and to take advantage of future opportunities to attract strong long-term owners.

On 6 September 2022, the Exchange submitted a request to the Swedish Securities Council for the Swedish Securities Council to provide its opinion on whether the publication by Euroafrica on 10 November 2021 - with respect to the obligation to disclose the reasons for disapplying the shareholders' preemptive rights and regarding how the issue price was determined and how conformity with market conditions in relation to the issue price was ensured - was consistent with the Recommendation and generally accepted practice on the securities market. In statement 2022:36, the Swedish Securities Council concluded that the press release was not adequate either in terms of the information on the reasons for disapplying the shareholders' preemptive rights or in terms of how the issue price was determined, and that Euroafrica had thus violated the Recommendation, which expresses good practice on the securities market.

The Exchange has argued: As found by the Swedish Securities Council, the Company has violated generally accepted practice on the securities market and, consequently, the Rule Book.

Euroafrica has argued: At the relevant time, the Company needed to raise new capital quickly in order to finance a time-sensitive acquisition, and not least for this reason, the Company obtained both legal and financial advice prior to the decision to carry out the issue.

Following the incident, the Company has taken certain organisational and personnel measures to strengthen internal competence and avoid similar mistakes in the future.

The Disciplinary Committee notes that it appears from the Swedish Securities Council's ruling 2022:36 that the Company has not published information about the current directed share issue in accordance with the Recommendation, and that the Company has thus not observed generally accepted practice on the stock market. Consequently, Euroafrica has also violated the Rule Book. The fact that Euroafrica has taken measures to ensure that similar situations do not arise in the future is positive but, according to the Disciplinary Committee, cannot release the Company from liability.

The Disciplinary Committee considers the violation to be serious, which is why a fine should be imposed as a penalty. The Disciplinary Committee sets the fine at five times the annual fee.

On behalf of the Disciplinary Committee,

A handwritten signature in blue ink, appearing to read 'Marianne Lundius', is shown within a light gray rectangular box.

Marianne Lundius

Former Supreme Court Justice Marianne Lundius, Supreme Court Justice Johan Danelius, company director Carl Johan Högbom, *Advokat* William Lünig, and *Advokat* Patrik Marcelius participated in the Committee's decision.

Secretary: Professor Erik Lindman