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NASDAQ STOCKHOLM'S

DECISION

13 January 2023

DISCIPLINARY COMMITTEE

2023:01

Nasdaq Stockholm

Photocat A/S

DECISION

The Disciplinary Committee orders Photocat A/S to pay a fine to Nasdaq Stockholm corresponding to six times the annual fee.

Motion

The shares in Photocat A/S (“Photocat” or the “Company”) are admitted for trading on Nasdaq Stockholm’s (the “Exchange”) Nasdaq First North Growth Market trading platform. Photocat has signed an undertaking to comply with the Exchange’s rules for issuers applicable from time to time (the “Rule Book”).

The Exchange has argued that Photocat has committed several violations of the Rule Book and, with reference to section 6.3 in Supplement B to the Rule Book, the Exchange has moved that the Disciplinary Committee evaluate the alleged violations of the Rule Book and impose a reasonable sanction.

Photocat 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 4.2.3 (a) of the Rule Book, the issuer shall disclose notices to attend general meetings.

Pursuant to section 4.2.3 (b) of the Rule Book, following a general meeting of shareholders, the issuer must disclose information about any resolutions adopted by the general meeting that are not insignificant.

Section 4.2.1 of the Rule Book, in combination with section 4.1 of the Rule Book, provide that, with regards to time and method, publication of the aforementioned type shall take place in the same manner as a disclosure of inside information.

Pursuant to section 4.2.9 (a) of the Rule Book, an issuer's disclosures under the Rule Book must include the name and contact details of the issuer's certified adviser.

Pursuant to section 4.1 of the Rule Book, an issuer shall disclose inside information in accordance with Article 17 of the EU Market Abuse Regulation ("MAR").

Article 17 of MAR requires an issuer to inform the public as soon as possible of inside information which directly concerns the issuer. In addition, inside information shall be made public in a manner which enables fast access and an opportunity to make a complete, correct and timely assessment of the information by the public.

According to the guidance text to section 4.1 of the Rule Book, a disclosure of inside information concerning a purchase or sale of a company or business must normally include the purchase price, unless there are special reasons. This is because the purchase price is normally an important component in assessing the impact of the transaction on the issuer. However, in rare cases, information on the purchase price may be omitted. This may be the case when the purchase price is not relevant to the valuation of the issuer.

Considerations

Company publications in connection with general meetings

On 26 May 2021 at 4 p.m., the Company held its 2021 Annual General Meeting. The Company did not publish a communiqué from the Annual General Meeting until 27 May 2021 at 11.50 a.m. The publication did not include the name of, or contact information for, the Company's certified adviser. In this context, the Exchange noted that it was not possible to find any announcement regarding the convening of the Company's 2020 Annual General Meeting or any publication of a communiqué therefrom. However, the Exchange was able to find the notice of the AGM on the Company's website, together with the minutes of the meeting.

The Exchange has argued: It is undisputed in this case that the Company did not properly publish a press release regarding the notice of its 2020 Annual General Meeting, nor did it publish a press release containing information on the resolutions adopted by the Annual General Meeting. The Company thus violated, on two separate occasions, section 4.2.3 in combination with sections 4.2.1 and 4.1 of the Rule Book.

In addition, an issuer has an obligation to publish a press release from a general meeting as soon as possible. Given that the Company did not publish a press release from its 2021

Annual General Meeting until the following day, this announcement was not made as soon as possible. The Company thus violated section 4.2.3 (b) in combination with sections 4.2.1 and 4.1 of the Rule Book. By not including the name of, or contact details for, the Company's certified adviser, the Company also breached section 4.2.9 of the Rule Book.

The Company has argued: The press release of the Annual General Meeting of 26 March 2021 was published after the minutes of the meeting had been finalized and approved. It was therefore published as soon as possible. Otherwise, Photocat stipulates to the violations of the Rule Book alleged above by the Exchange.

The Disciplinary Committee finds that it is undisputed that the Company did not publish a notice of or press release from the 2020 Annual General Meeting and that the Company has thereby violated section 4.2.3 (a) and (b) in combination with sections 4.2.1 and 4.1 of the Rule Book in the manner argued by the Exchange.

A press release from a meeting must be published as soon as possible in accordance with section 4.2.3(b) in conjunction with sections 4.2.1 and 4.1 of the Rule Book and must, in accordance with section 4.2.9, state the name and contact details of the issuer's certified adviser. The obligation to publish a press release as soon as possible is not dependent on the preparation and approval of the minutes of the meeting. The press release of the Company's Annual General Meeting on 26 May 2021 was not published until the following day at 11:50 a.m. and lacked information regarding the Company's certified adviser. The Company has thus also in this respect violated the Rules in the way argued by the Exchange.

The Company's disclosure in connection with acquisition of business

On 28 June 2022, Photocat published a press release with information that the Company had entered into an agreement to acquire a certain business from Alumichem A/S. The press release contained a reference to the fact that the information was such that the Company was obliged to disclose under MAR. As the Company, as explicitly stated in the press release, chose not to include in the press release the purchase price for the acquired business, the Exchange chose to contact the Company's certified adviser to obtain the Company's comments on the matter. On 29 June 2022, Photocat published a press release with information on the purchase price for the acquired business. 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: According to the Exchange, an issuer's disclosure of inside information regarding an acquisition, in order to enable a full and fair assessment thereof, must include the purchase price of the acquisition as a starting point. The Exchange sees no reason to deviate from this starting point in view of what the Company has argued in support of its decision not to include the purchase price in its press release on 28 June 2022 - that the seller wished this information to be omitted and competition considerations. On the contrary, the size of the acquisition, which would mainly be financed by newly issued shares resulting in a dilution of up to 11.4 %, indicates that without this information it would not have been possible to make a full and proper assessment of the acquisition agreement. In addition, the Company's supplementary press release, which included the purchase price, indicates that the Company also deemed this information necessary to disclose. In light of the above, it is also the Exchange's assessment that the Company's announcement on 28 June 2022 was in breach of Article 17 of MAR and section 4.1 of the Rule Book.

The Company has argued: The reason the Company omitted information on the purchase price in the press release of 28 June 2022 was that the seller specifically requested that the information not be disclosed, and the Company feared that disclosure of the purchase price would provide competitors with sensitive information on the price of production capacity and production costs. As soon as the Company was informed by the Exchange that the purchase price had to be disclosed, information about it was made public.

The Disciplinary Committee notes that the Company has stated in the relevant press releases that the information constituted information that the Company was obliged to disclose under MAR, i.e. inside information, and it is, according to the Disciplinary Committee, clear that information on the purchase price was required to enable a full and correct assessment of the significance of the acquisition for the price of the Company's financial instruments. The Company's press release of 28 June 2022 lacked information on the purchase price. The Company thus violated Article 17 of MAR and section 4.1 of the Rule Book.

The Disciplinary Committee finds that the Company has violated section 4.2.3 (a), in two respects section 4.2.3 (b), section 4.2.9 and section 4.1 of the Rule Book. The Disciplinary Committee holds that the violations are serious, and therefore a fine shall be imposed as a sanction. The Disciplinary Committee sets the fine at six 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-colored background.

Marianne Lundius

The Board's decision was taken by former Supreme Court Justice Marianne Lundius, Supreme Court Justice Petter Asp, former company head of the Exchange Carl Johan Högbom, *Advokat* Patrik Marcelius and *Advokat* Erik Sjöman.

Secretary: Associate Professor Erik Lidman