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NASDAQ STOCKHOLM'S

DECISION

21 April 2023

DISCIPLINARY COMMITTEE

2023:05

Nasdaq Stockholm

Azelio AB (publ)

DECISION

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

Motion

The shares in Azelio AB ("Azelio" or the "Company") are admitted for trading on Nasdaq Stockholm's (the "Exchange") Nasdaq First North Growth Market trading platform. The Company has signed an undertaking to comply with the Exchange's Rule Book for Nasdaq First North Growth Market applicable from time to time (the "Rule Book").

The Exchange has argued that Azelio violated section 4.1.1 of the Rule Book by publishing incorrect information as inside information in violation of Article 17 of MAR. The Company has moved that the Disciplinary Committee evaluate the violations of the Rule Book and impose a suitable sanction.

The Company has stipulated to the facts in the case.

A hearing in the matter was held before the Disciplinary Committee on 13 April 2023, at which the Exchange was represented by Acting Head of Enforcement & Investigation Christine Malmberg and Legal Counsel Tobias Ställborn. Azelio was represented by IR manager Jan Svensson and CFO Gustaf Albert.

Reasons for the decision

The Rule Book

Pursuant to section 4.1.1 of the Rule Book, an issuer shall disclose 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”).

Article 17.1 of the MAR provides that inside information is to be made public in a manner which enables fast access and an opportunity to make a complete, correct and timely assessment of it by the public.

Pursuant to Article 2.1 of Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 (the “Implementing Regulation”), the issuer shall disclose inside information using technical means that ensure that the information is disseminated to as wide a public as possible on a non-discriminatory basis.

Considerations

On 18 November 2022 at 1:30pm, the Company published a press release with information that the Company presented parts of its project portfolio, consisting of ongoing and potential projects, at a webinar that same day. In this context, the press release contained information about a potential project in Australia and the Company confirmed that negotiations were being conducted regarding the project. 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.

Azelio has argued: At the webinar on 18 November 2022, one of the Company's employees presented a number of possible projects where Azelio has started discussions with potential customers. At the time the relevant webinar was originally scheduled to take place, in early October, there was no information about these projects that constituted inside information. However, the webinar was cancelled at short notice and was to be held on 18 November. After the cancellation of the webinar, the discussions about one of the possible projects with the potential customer intensified and were given sufficiently concrete form that the Company made the determination that the knowledge of this constituted inside information. An insider list was started and the Company decided to delay disclosure. At the webinar on 18 November, the employee presenting on behalf of Azelio was not aware that the process surrounding one of the described projects had intensified and had progressed to where the Company considered it to be inside information. The employee was not personally included on the insider list. Accordingly, information was presented about a project that the Company now considered to be inside information. The customer's name was not included in the information provided in the webinar. At approximately 11am on 18 November, the IR Manager and the CEO became aware of the situation. The Company then started to analyse whether there could be information that was specific enough to be considered inside information. In consultation with the Certified Adviser, the Company made the determination that parts of the information which was subject to a delayed disclosure were regarded as having been leaked and that a continued delayed disclosure of the information was thus not possible. The Company then decided to immediately publish the information about the potential transaction to ensure regulatory compliance and that everyone in the market would have access to the same information about the potential transaction. A press release was written and published at 1:30pm. The Company intends to ensure that something similar does not happen again by requiring advance review and approval by the IR Manager of all presentations held externally which contain information beyond what is contained in the Company's general corporate presentation.

The Exchange has argued: At the webinar on 18 November 2022, the Company presented information regarding a potential project in Australia before the Company had published this information through a press release. According to the Company, the information presented constituted inside information. Accordingly, the Company acted in violation of Article 17 of the MAR and Article 2 of the Implementing Regulation. Thus, the Company also violated section 4.1.1 of the Rule Book.

The Disciplinary Committee finds that in this matter it is undisputed that in the webinar on 18 November, the Company provided information that the Company itself had determined to be inside information. According to its standard practice, the Disciplinary Committee starts from the issuer's determination that certain information has constituted inside information (see, e.g., Disciplinary Committee Decision 2022:10). The Company has thus not properly disclosed the information in question in accordance with Article 17(1) of the MAR and Article 2 of the Implementing Regulation. The Company thus violated section 4.1.1 of the Rule Book.

The Disciplinary Committee finds that Azelio violated section 4.1.1 of the Rule Book. The Disciplinary Committee holds that the violation is serious, and therefore a fine shall be imposed as a sanction. The Disciplinary Committee sets the fine at two 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 Justice Marianne Lundius, Justice Johan Danelius, authorised public accountant Magnus Svensson Henryson, *Advokat* Wilhelm Lüning and company director Kristina Schauman participated in the Committee's decision.

Secretary: Associate Professor Erik Lidman