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NASDAQ STOCKHOLM'S

DECISION

24 May 2023

DISCIPLINARY COMMITTEE

2023:06

Nasdaq Stockholm

ISR Immune System Regulation Holding AB (publ)

DECISION

The Disciplinary Committee orders ISR Immune System Regulation Holding AB's shares to be delisted from trading on Nasdaq First North Growth Market. The shares shall be delisted from trading no later than 22 June 2023.

Motion

The shares in ISR Immune System Regulation Holding AB ("ISR" or the "Company") are traded on the 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 claimed that ISR has repeatedly and in several respects violated the Rules in a manner which risks damaging not only the Company's investors but also the public's confidence in the Exchange, Nasdaq First North Growth Market and the securities market. The Exchange has moved that the Disciplinary Committee evaluate the violations of the Rule Book and that the Company's shares shall be delisted from trading on Nasdaq First North Growth Market.

The Company 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

Section 2.3.9 (a) of the Rule Book provides that an issuer must possess sufficient systems and resources in order to comply with the requirements regarding disclosure of information to the market imposed on an issuer.

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"). Pursuant to Article 17(1) of MAR, the issuer shall inform the public as soon as possible of inside information which directly concerns that issuer.

Pursuant to section 5.5.2 of the Rule Book, a Certified Advisor shall in their continuous monitoring of the issuer:

- a) review and assess the issuer's compliance with the admission requirements set out in Chapter 2 of the Rule Book;
- b) review and assess the issuer's compliance with the disclosure requirements set out in Chapter 4 of the Rule Book;
- c) contact the Exchange immediately in the event there is suspicion that the issuer has violated the rules of the Rule Book;
- d) contact the Exchange immediately in the event of circumstances that might necessitate suspension of trading or observation status of the issuer's shares;
- e) assist the exchange in connection with an investigation of the issuer's compliance with the Rule Book.

Section 6.1.1 of the Rulebook provides that an issuer, upon request by the Exchange, shall provide the Exchange with any information it requires for the assessment and surveillance of the issuer.

Section 6.1.2 of the Rule Book provides that an issuer must inform its Certified Adviser about its business and provide all the information that the Certified Adviser needs to fulfill its responsibilities as set forth in the Rule Book.

Pursuant to section 8.2 of Supplement B to the Rule Book, the Exchange may impose sanctions on an issuer whose conduct is considered to damage public's confidence in the Exchange, Nasdaq First North Growth Market or the securities market in general.

Considerations

Concerning observation status

The Exchange has argued: On 31 August 2022, the Exchange was contacted by the Company's CFO who informed that the Company had a strained liquidity but was in final negotiations regarding a financing solution. Later that day, the Company published its interim report for the second quarter of 2022. In light of the conversation with the Company's CFO and after reviewing the report, the Exchange asked the Company's Certified Adviser ("CA") on 1 September 2022, to obtain information from the Company regarding its working capital situation. On 2 September 2022, the CA responded with information from ISR that the Company only had liquid assets to conduct its operations in "crisis mode" for the next three months. In light of this, the Exchange intended to give the Company's shares observation status. Prior to the announcement of observation status by the Exchange, both the Exchange and the CA attempted to contact the Company to obtain the Company's confirmation that it had received information about the Exchange's assessment of the matter and to give the Company the opportunity to submit any comments in this context. However, despite repeated attempts by email, telephone and text message, neither party was able to contact the Company. When, on 5 September 2022, the Company had still not been consulted, the Exchange was forced to make the unusual decision to give the Company's shares observation status without the Company's confirmation that it had received the information or without it having provided comments on the Exchange's assessment of the matter. The Exchange notes that, despite repeated attempts and requests to contact the CA and the Exchange, and despite

several days' time for reflection on the matter, the Company never provided any response regarding whether the Company had any comments regarding the Exchange's assessment that the Company's shares needed to be given observation status. Thus, the Exchange was forced to announce to the market the decision regarding the observation status without prior contact with the Company. By this action, the Company breached the obligation to provide the Exchange and the CA with information as set out in sections 6.1.1 and 6.1.2 of the Rules.

The Company has argued: After the Company informed the Exchange and the CA about the Company's strained liquidity on 31 August 2022, the CA responded with information that the Exchange would apply observation status to the Company's shares. In the correspondence with the CA, it is not evident that the Exchange and the CA expected the Company to submit any comments on the matter. Thus, the Company perceived the situation as having been resolved and that an observation status was a fact. In the correspondence with the CA, it is also evident that the Company responded promptly to the questions from the CA regarding the Company's working capital (which was the reason the Exchange chose to give the Company's shares observation status).

The *Disciplinary Committee* notes that a basis for the Exchange's surveillance activity, and by extension confidence in the market, is that the Exchange can quickly contact the issuer and, if necessary, obtain information regarding it, for example when the information status regarding an issuer is unclear. In this case, the Exchange has attempted to contact ISR regarding its financial status and prior to a possible observation listing. In the opinion of the Disciplinary Committee, the fact that the Company has not responded to the contact attempts by either the Exchange or the CA in accordance with what has been stated constitutes a serious breach of both section 6.1.1 and section 6.1.2 of the Rule Book, notwithstanding the reasons stated by the Company.

Concerning the video interview

In a video interview with Redeye TV published on 6 September 2022, the Company's CEO stated, "we have a lot of activities going on that are happening and are secured, and they will be communicated very shortly" in response to the question, "what is the strategy ahead to secure the company's financing?". The Exchange contacted the Company's CA for further information on the meaning of the statement on 16 September. On 26 September, the Company responded to the Exchange in a satisfactory manner.

The Exchange has argued: After the Exchange observed that the Company's CEO appeared to have stated in a video interview that the Company would shortly communicate a new secured financing, and as the Exchange had concerns that the statement could constitute a discriminatory disclosure of inside information, the CA was asked on 16 September 2022 to obtain the Company's response to the question of whether the statement was compatible with MAR. On 19 September 2022, the Company responded to the CA with information that the Company was in final negotiations regarding a financing solution and that this would be communicated according to MAR when the negotiations were completed. As the Company's response was not deemed to be a complete response to the Exchange's questions, the CA asked the Company once again to respond to the Exchange's question as to whether the statement in the interview with the Company's CEO was compatible with MAR. After several reminders regarding this, the Company responded on the evening of 20 September 2022 with the same information as before, but without an answer to the Exchange's question. After the CA again requested an answer to the question and the Exchange communicated that in the absence of such an answer it could be necessary to suspend the trading in the Company's

shares, the Company finally responded on 26 September 2022 with its view regarding the matter. The Exchange notes that the Company did not respond to the CA and the Exchange with a complete response as to whether the interview statement in question from the Company's CEO was deemed compatible with MAR until ten days after the question was posed, and only after repeated reminders and threats of a suspension of trading in the Company's shares. By this delay in the Company's response - in a question regarding a possible leakage of inside information that could have necessitated a leakage press release to the market and a suspension in trading in the Company's shares - the Company violated section 6.1.1 and section 6.1.2 respectively of the Rule Book.

The Company has argued: The Company's financial report for the period January 1 - June 30, 2022, which was published in a press release on 31 August 2022, states, *inter alia*, the following:

Due to the current financial climate, the securing of the necessary financial capital has been delayed, contributing to a strained liquidity in the second half of the first six months of 2022.

During the most recent period, the Board and management have worked with several different options in parallel to ensure the Company's capital supply, both short-term and long-term. The Company is in final discussions with a major investor, who is currently in Sweden to finalize the deal, which is expected in the near future.

The information that the Company was in final negotiations regarding financing was thus already disclosed before the video interview and what was said during the video interview can thus, if the information would be deemed to be inside information, not have been a discriminatory disclosure of inside information. The CA sent the interview question at 2:37 PM on Friday 16 September 2022 and ISR provided a response at 2:55 PM on Monday, 19 September 2022, i.e., the next business day. In light of the fact that the Company was of the opinion that what was said in the video interview was not a discriminatory disclosure of inside information, the Company was of the understanding that the Company could answer the CA's and the Exchange's questions on the next business day.

The *Disciplinary Committee* has reviewed the email correspondence between the Company and its CA and notes the following. On 16 September 2022, the Company received the Exchange's question regarding the video interview via the CA. The Company responded to the email on 19 September at 2:55 PM, but without actually answering the Exchange's questions. After three more proposals from the CA, the CA contacted the Company again on 20 September, but again without receiving any real answers to the Exchange's questions. Only after the CA notified the Company on 23 September that there was a risk that trading in the Company's shares would be suspended unless the Company provided an adequate response to the questions, did the Company respond in a manner satisfactory to the Exchange. Thus, the company's response was neither as prompt as must be required nor did it contain the information needed by the CA to answer the Exchange's questions. The Company thereby violated section 6.1.1 and section 6.1.2 of the Rule Book.

Concerning the interim report

According to the Company's financial calendar, the Company was supposed to publish a quarterly report on 25 November 2022. When this did not happen, and as the Company did not publish information regarding the reason for this, the Company's CA contacted the Company on November 26 to obtain information regarding the reasons for this. Despite repeated reminders, the Company did not respond to CA's question until 7 December 2022, when it explained that on 24 November 2022, it had intended to inform the market that the Company would not be publishing the current quarterly report, but that due to unpaid

invoices, the Company had lost access to its news distributor and therefore was unable to publish such a press release.

The Exchange has argued: The Exchange notes that the Company, despite repeated reminders from the CA, took eleven days to respond with requested information regarding why the Company had failed to publish an interim report for the third quarter of 2022. By this delay in the Company's response the Company violated section 6.1.2 of the Rule Book.

The Company has argued: When the Company on 25 November 2022 was to disclose that the Company would not publish any interim report for the period 1 January - 30 September 2022, ISR Holding noted, without any prior notice or subsequent information from the news distributor, that the Company was suspended from the Company's news distributor. The Company immediately initiated an investigation to clarify the situation and on 7 December 2022, the Company regained access to its news distributor, whereupon the Company immediately published information that the Company would not publish an interim report for the period 1 January - 30 September 2022. The reason the Company had been suspended from its news distributor was that, due to the company's financial situation, the company had not paid an invoice issued by the news distributor. Since the news distribution tool is only used when the Company is to publish press releases and the Company was suspended without warning, this was only discovered when the Company was to send out the press release regarding the interim report for the period 1 January - 30 September 2022. It should also be noted that the Nasdaq First North Growth Market Rule Book does not require issuers to prepare interim reports and that the Company has never previously prepared interim reports.

The *Disciplinary Committee* notes that the Company took eleven days to respond to its CA to questions regarding the non-publication of the interim report, despite repeated reminders. The Company thereby violated section 6.1.2 of the Rule Book.

Concerning the article in Dagens Industri

On 6 December 2022 at 12.05 PM, Dagens Industri published an article in which it was claimed, among other things, that the Company had debts and expedited payment orders with the Swedish Enforcement Authority of over SEK 2 million. In light of this, and since the publication of the article was followed by a major drop in the Company's share price, the CA was asked to contact the Company immediately to clarify the Company's view on the article. When the Company could not be reached despite this, and as it was not deemed possible to ensure orderly trading in the Company's shares in the absence of information from the Company regarding its financial position, the Exchange decided to suspend trading at 1:09 PM. The Company's share price had fallen by approximately 36% since the article was published. It was only on the following day that the CA received any response from the Company regarding its financial position. At that time, it appeared that the Company had lost access to its news distributor due to unpaid invoices, but that the Company had now paid the invoices and was waiting to regain access to the ability to publish press releases to the market. Later the same day, the Company also published a press release in which the Company confirmed Dagens Industri's information. The press release contained a reference that the information was of the type that the Company was obligated to make public pursuant to MAR.

The Exchange has argued: The Exchange notes that it was not until the day after the publication of the relevant article in Dagens Industri, which required the Company to inform the Exchange and the market as soon as possible about the Company's financial position, that the company provided any such information. By this delay in the Company's response, which

led to the Exchange being forced to take the unusual decision to suspend trading in the Company's shares without prior contact with the issuer, the Company violated section 6.1.1 and section 6.1.2 respectively of the Rule Book.

In addition, the Company did not publish a press release until the late afternoon of 7 December 2022 containing the information that had already been published in Dagens Industri the previous day. The publication contained a disclosure that the information contained in the press release constituted inside information. In light of this, the Exchange can draw no other conclusion than that by virtue of its delay, the Company violated Article 17(1) of MAR and thus section 4.1.1 of the Rule Book.

The Company has argued: The article was published by Dagens Industri on 6 December at 12:05 PM and the Exchange decided to suspend trading in the Company's shares at 1:09 PM the same day. Thus, the Company had approximately one hour (during lunchtime) to respond to the Exchange. When the Company became aware that the CA and Exchange had tried to reach the Company, trading in the Company's shares had already been suspended and the Company had no reason to question the suspension in trading, which is why the Company chose to investigate and find a solution to the situation regarding the debts and expedited payment orders with the Swedish Enforcement Authority before the Company responded to the CA.

The Disciplinary Committee notes that the Exchange in principle immediately sought to contact the Company after particularly serious information about the company's financial situation was published by Dagens Industri, which appears to have had a significant negative impact on the share price. In the Disciplinary Committee's opinion, the fact that the Company did not respond to the Exchange until the following day constitutes a serious violation of both Rule 6.1.1 and Rule 6.1.2 of the Rule Book. In addition, the Company violated Article 17(1) of MAR in the manner argued by the Exchange and thus also section 4.1.1 of the Rule Book.

Bankruptcy petition

On 30 December 2022, Dagens Industri published an article including information that one of the Company's creditors petitioned to place the Company into Bankruptcy on 21 December 2022. On 11 January 2023, the Company published a press release including information that the threat of bankruptcy against the Company was averted by a group of shareholders acquiring the relevant creditor's claim, which was deemed to be business critical. The press release contained a reference that the information was of the type that the Company was obligated to make public pursuant to MAR.

The Exchange has argued: The Exchange notes that the information published in the Company's press release on 11 January 2023, that a group of shareholders acquired the claim invoked in support of a bankruptcy petition against the Company and that this threat of bankruptcy was thus averted, was deemed to constitute inside information by the Company. In light of this, the Exchange cannot draw any other conclusion than that the bankruptcy petition itself, and the threat of bankruptcy that apparently arose, must have constituted inside information. This is also the case in view of the fact that the claim in question that was invoked in support of the bankruptcy petition was stated to be business critical for the Company. Since the Company did not disclose information about the bankruptcy petition until the aforementioned press release which, according to Dagens Industri was already made on 30 December 2022, the Company thus violated Article 17 of MAR and section 4.1.1 of the Rule Book.

The Company has argued: The Company did not deem the bankruptcy petition to constitute inside information. The information regarding the Company's debts and the expedited payment orders with the Swedish Enforcement Authority was published through a press release already on 7 December 2022. The fact that a creditor, regarding a relatively limited claim, on 30 December 2022, petitioned for the Company to be placed into Bankruptcy, was not considered to constitute inside information as the Company was not insolvent and the bankruptcy petition was thus unfounded. As soon as the Company had settled its debts with the Swedish Enforcement Authority, this was made public through a press release, as this was deemed to be inside information.

The Disciplinary Committee notes that in the press release of 7 December 2022, the Company stated that the Company "has built up a burden of debt, which the current liquidity cannot manage", which "has resulted in part of [the Company's] debts being passed on to the Swedish Enforcement Authority", and that the Company's management "is working intensively on securing financing to both pay outstanding debts, as well as to secure the necessary financing [...]". In addition, the Company stated in the press release of 11 January 2023 that the Company had secured "[f]inancing for claims which had been transferred to the Swedish Enforcement Authority, as well as short-term running costs of a business critical nature such as, e.g. salaries and taxes", and that the economic association ISR-SMAFF "for the purpose of averting the bankruptcy petition filed in Solna District Court" had acquired a claim that was described in the press release as "business critical". In light of the information published by the Company, and the fact that the Company had stated that the information in the press release of 11 January 2023 constituted inside information, it appears, in the opinion of the Disciplinary Committee, to be obvious that the Company had deemed the information in question as inside information, which the Disciplinary Committee, in accordance with its practice, assumes in its assessment (see, for example, the Disciplinary Committee's decision 2023:05). Since the Company did not publish this information until 11 January 2023, after Dagens Industri disclosed the information on 30 December 2022, the Company had not published the information as soon as possible in accordance with Article 17(1), and has thereby also violated section 4.1.1 of the Rule Book.

Disclosure of information related to the statement of reprimand

On 6 March 2023, the Exchange sent a statement of reprimand to the Company stating that the Exchange was considering submitting information about the violations of MAR and the Rule Book mentioned in that writing to the Disciplinary Committee with a motion to delist the Company's shares from Nasdaq First North Growth Market. On 8 March 2023, the Company published a press release containing information that the Company had received a statement of reprimand from the Exchange. The press release contained a reference that the information was of the type that the Company was obligated to make public pursuant to MAR.

The Exchange has argued: The Exchange notes that two days after receiving the Exchange's statement of reprimand, the Company published information regarding the statement of reprimand. It is further noted that the publication included a reference to the fact that the information was published pursuant to MAR and thus constituted inside information. In light of this, the Exchange can draw no other conclusion than that the information regarding the receipt of the statement of reprimand was not published as soon as possible and that the Company violated Article 17 of MAR and thus section 4.1.1 of the Rule Book.

The Company has argued: The Exchange's statement of reprimand came as a big surprise to the Company. As part of (a) ensuring that the Company had correctly understood the

information from the Exchange, (b) analyzing the content, and (c) ensuring that the information provided to the market in this respect is correct, the Company felt the need to engage and consult professional external advisors for this extraordinary situation. This resulted in the press release regarding the statement of reprimand being published on the morning of 8 December a little bit more than a day after the Company, via the CA, became aware of the Exchange's statement of reprimand. It should be noted that the CA, in their email to the Company, announced that the Company, in the event the Company deems the information constitutes inside information, may consider drafting a press release in accordance with an example of how another listed company has drafted a press release. However, the model referred to by the CA referred to a press release stating that Nasdaq had decided to submit an ongoing investigation to Nasdaq Stockholm's disciplinary committee. The company in question did not publish any information whatsoever regarding their receipt of a statement of reprimand from Nasdaq. ISR Holding, unlike the company referred to by the CA, has deemed it important to be fully transparent in everything regarding the statement of reprimand and has thus, in addition to publishing information about the submission of the investigation to Nasdaq Stockholm's disciplinary committee, chosen to publish a press releases regarding the fact that the Company has received a statement of reprimand and that the Company has responded to the Exchange's statement of reprimand.

The Disciplinary Committee finds that in this case it is undisputed that the information the Company published in the press release of 8 March 2023 constituted inside information. In the assessment of what constitutes a disclosure "as soon as possible" under Article 17(1) of MAR, the Disciplinary Committee deems that the complexity of the information and the issuer's need to be able to analyze the information and disclose it fairly must be taken into account. However, only in exceptional cases can the complexity of the information be such that it can be considered justified for an issuer to delay publication for more than a few hours (cf., e.g., the Disciplinary Committee's statement 2023:02). In the instant case, the Company has delayed two days in publishing information about the fact that the Company has received a statement of reprimand from the Exchange, which cannot be deemed to be such complex information that requires extensive analysis before publication. Accordingly, the Company did not make the information public as soon as possible in accordance with Article 17 of MAR and thus violated section 4.1.1 of the Rule Book.

Lack of a news distributor

Between 24 November and 7 December 2022, the Company did not have access to a news distributor.

The Exchange has argued: Between 24 November 2022 and 7 December 2022, the Company did not have access to a news distributor and the ability to publish press releases to the market, which is why the Company also de facto did not have such capacity for disclosing information to the market as prescribed in section 2.3.9 (a) of the Rule Book. Since the Company did not inform its CA of this circumstance, which had an immediate impact on the CA's compliance with several of the obligations set out in section 5.5.2 of the Rule Book, the Company violated section 6.1.2 of the Rule Book.

The Company has argued: The Company became aware on 25 November 2022 that the Company's news distributor suspended the Company from its news distribution tool without prior notice or subsequent information. The Company immediately initiated an investigation to clarify the situation and on 7 December 2022, the Company regained access to its news distributor. The reason the Company had been suspended from its news distributor was that,

due to the company's financial situation, the company had not paid an invoice issued by the news distributor.

The Disciplinary Committee finds that it is undisputed that the Company did not have access to a news distributor between 25 November and 7 December 2022. By not informing its CA of this, the Company violated section 6.1.2 of the Rule Book, and during this period has also not complied with section 2.3.9 (a) of the Rule Book.

In summary, the Disciplinary Committee is of the opinion that the Company has committed several violations of the Rule Book on several occasions and over an extended period of time. Particularly serious is that several of the violations relate to non-compliance by the Company with the obligation to provide the Exchange with the information the Exchange needs for its assessment and surveillance of the issuer, and that based on both the violations and what the Company has stated in the case, it appears that the Company has deliberately ignored this obligation, albeit in what appears to be a difficult situation for the Company. The obligation to promptly provide the Exchange with the information necessary for the Exchange to be able to ensure sound trading is, in the opinion of the Disciplinary Committee, of fundamental importance to the functioning of the stock market, and the Company's actions have thus been likely to damage confidence in the Exchange, Nasdaq First North and the Swedish securities market in general. Furthermore, there is in particular the fact that the Company placed itself in the position to be unable to publish any information at all to the stock market for a period of several days. In an overall assessment, the Disciplinary Committee finds that the damage in confidence caused by the Company's actions is such that there are grounds to delist the Company's shares from trading, notwithstanding the negative consequences for shareholders. The Disciplinary Committee orders ISR Immune System Regulation Holding AB's shares to be delisted from trading on Nasdaq First North Growth Market not later than 22 June 2023.

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

Former Justice Marianne Lundius, Justice Johan Danelius, former exchange manager Carl Johan Högbom, Advokat Magnus Lindstedt, and Advokat Erik Sjöman participated in the Committee's decision.

Secretary: Associate Professor Erik Lidman