



EUROPEAN SURVEILLANCE QUARTERLY REPORT



European Surveillance Quarterly Report

July - September 2018

HEAD OF EUROPEAN SURVEILLANCE LETTER

During the last years we have witnessed a strong IPO activity at our Nordic exchanges. In June the number of listed companies on our Nordic and Baltic markets reached 1,000 for the first time. In addition Nasdaq's Nordic exchanges are gaining increased international interest. In our effort to continuously develop our markets and to ensure we have the most adequate level of regulation and investor protection, European Surveillance have launched an extensive project to develop our regulation and the technology we use to meet the changing dynamics in the market. The focus of the project is to ensure best in class predictability, innovative technology and market communication. Measures to meet these goals are being implemented continuously. Please visit our webpage for the latest status reports on this important project. In addition we will follow up on the progress of the work in the Nasdaq European Surveillance Annual report (which will be published in January).

Further, during the year the European Surveillance Function's focus on technology has been highlighted by the Financial Times. In recognition of our work to implement machine learning into our surveillance system (SMARTS), Trading Surveillance won Financial Time's Most Innovative Lawyer Awards ("Innovation in Technology") for our implementation of machine learning algorithms in SMARTS to detect anomalies and patterns of market abuse. By using data from historical alerts to create predictive models, the new algorithms are able to assess high volumes of trading, and improve on the speed, precision, and consistency of surveillance efforts to maintain integrity of the market. To learn more about this exciting innovation and collaboration, you can read our piece in Global Investor Group via the following [link](#).

As always we are continuously working on ensuring that this report is informative and would welcome any feedback you may have on it!



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About the report

The European Surveillance Function's periodical reports is intended to contribute to sound market practices by describing important aspects of rule interpretation and compliance, but also to ensure transparency and predictability in relation to around our activities. The reports contain statistical material on listings and enforcement matters, but also explanatory text and thematic articles.

About Nasdaq European Surveillance

The role of Nasdaq's European Surveillance function is to protect the integrity of Nasdaq's Nordic market places. Safeguarding the integrity of our markets is not only a regulatory requirement for Nasdaq, it is a necessity to ensure fair and efficient trading, to protect the values of our assets and to support our business model. In addition to upholding a well-balanced and effective regulation and operating a fair and efficient surveillance program adds to the confidence of the market place and contributes to the long term success of Nasdaq.

It is important to note that the Surveillance function is separated from the business units within Nasdaq's organization and decision making and surveillance processes have been ring fenced, to safeguard integrity. Our Surveillance activities can conceptually be divided in Trading Surveillance and Issuer Surveillance.

Issuer Surveillance

Issuer Surveillance verifies and enforces initial and continued listing qualifications of listed companies and other issuers of financial instruments. This includes responsibility for the formal listing process of financial instruments such as equities, bonds, warrants

and exchange-traded funds as well as handling all types of corporate actions. The Issuer Surveillance also monitors issuers' compliance with the disclosure rules of the exchanges to ensure transparent, consistent and fair markets.

Trading Surveillance

Trading Surveillance is responsible for monitoring the trading in all financial instruments on the markets operated by Nasdaq Nordic. The goal of the Trading Surveillance is to uphold market integrity by enforcing the rules of the Exchange and by identifying and referring any matter regarding suspected market abuse. The markets operated by Nasdaq Nordic shall be perceived as fair, orderly, safe, efficient and thereby attractive to investors. Another task for the Trading Surveillance, for most of the markets that we operate, is to resolve matters relating to trading incidents.

More information about Nasdaq European Surveillance can be found on our [webpage](#).

Did you find the report interesting?

If so – please sign up for a subscription so that you make sure to keep updated! Our quarterly and annual surveillance reports are distributed in exchange notices. On our website you can set up a subscription for different types of exchange notices. If you specify that you only want a message type called “News for listed companies” you will get a very limited number of messages, including these reports and other useful information. Set up your subscription today via this [link](#).

News from Stockholm

Issuer Surveillance

In the third quarter, seven new companies joined the Nasdaq Stockholm Main Market. In the same quarter no companies were delisted.

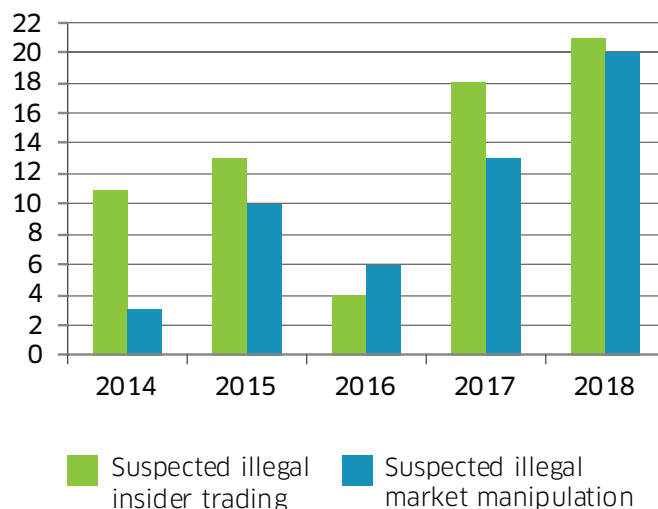
During the third quarter Nasdaq Surveillance team in Stockholm held seven training sessions, including senior management/board of companies listed at Nasdaq, Committees, Security Dealer Associations, members etc.

In addition, 67 new bonds were listed in Stockholm.

Trading Surveillance

In the third quarter 44 549 alerts were generated and handled for instruments listed at Nasdaq Stockholm. Of all the triggered alerts - 41 referrals were reported to the Swedish FSA in accordance with the Exchange's obligations to refer matters of suspected market abuse. 21 of these matters concerned suspected illegal insider trading and 20 matters concerned suspected market manipulation.

NASDAQ STOCKHOLM - REFERRALS SEND TO FSA IN Q3 2014-2018



News from Helsinki

Issuer Surveillance

In the third quarter, one new company joined the Nasdaq Helsinki Main Market. In the same quarter no company was delisted.

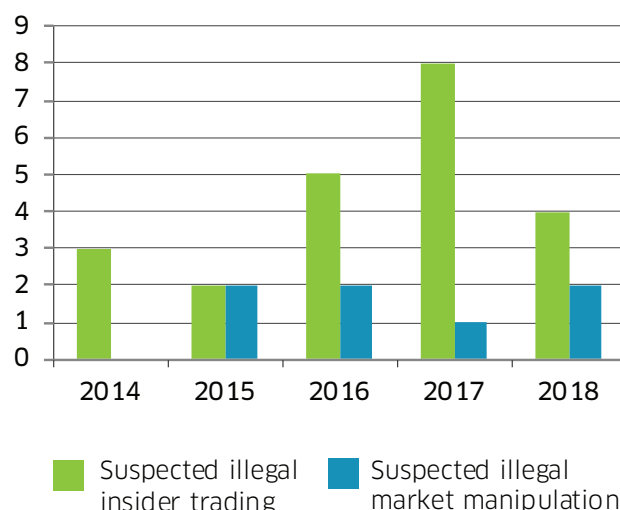
During the third quarter the Nasdaq Surveillance team in Helsinki held four training sessions, including senior management/board of companies listed at Nasdaq, Committees, Security Dealer Associations, members etc.

In addition, six new bonds were listed in Helsinki.

Trading Surveillance

In the third quarter 5 154 number of alerts were generated and handled for instruments listed at Nasdaq Helsinki. Of the triggered alerts - six referrals were made to the Finnish FSA in accordance with the Exchange's obligations to refer matters of suspected market abuse. Four of these matters concerned suspected illegal insider trading and two matters concerned suspected market manipulation.

NASDAQ HELSINKI - REFERRALS SEND TO FSA IN Q3 2014-18



News from Copenhagen

Issuer Surveillance

In the third quarter, two new companies joined the Nasdaq Copenhagen Main Market. In the same quarter two companies were delisted.

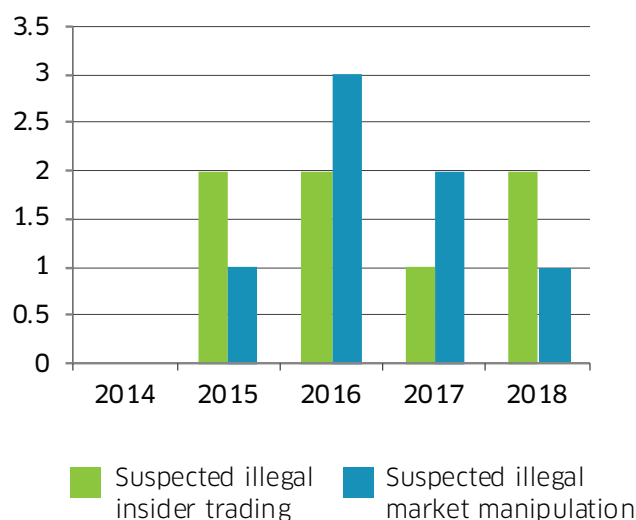
During the third quarter the Nasdaq Surveillance team in Copenhagen held four training sessions, including senior management/board of companies listed at Nasdaq, Committees, Security Dealer Associations, members etc.

In addition, 55 new bonds were listed in Copenhagen.

Trading Surveillance

In the third quarter 14 811 alerts were generated and handled for instruments listed on Nasdaq Copenhagen. Of the triggered alerts - three referrals were reported to the Danish FSA in accordance with the Exchange's obligations to refer matters of suspected market abuse. One of these matters concerned suspected illegal insider trading and two matters concerned suspected market manipulation.

NASDAQ COPENHAGEN - REFERRALS SEND TO FSA IN Q3



News from Iceland

Issuer Surveillance

In the third quarter, no new company was listed on the Nasdaq Iceland Main Market. In the same quarter no company was delisted.

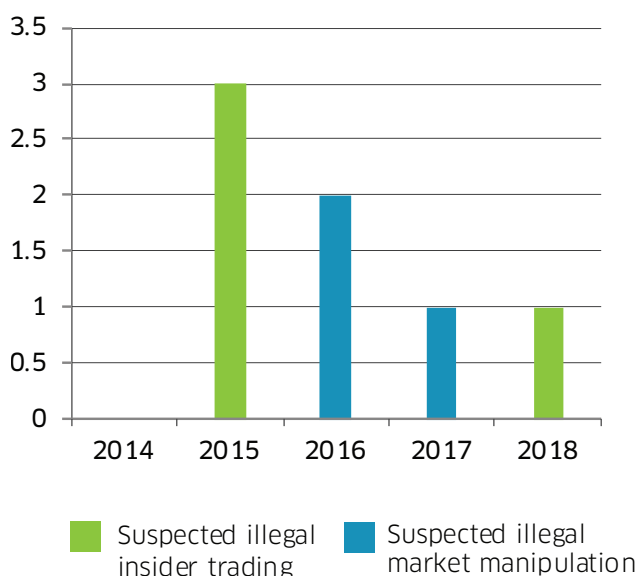
During the third quarter the Nasdaq Surveillance team in Iceland held one training session, including senior management/board of companies listed at Nasdaq, Committees, Security Dealer Associations, members etc.

In addition, nine new bonds were listed in Iceland.

Trading Surveillance

In the third quarter 1 899 alerts were generated and handled for instruments listed on Nasdaq Iceland. Of the triggered alerts - one referral was reported to the Iceland FSA in accordance with the Exchange's obligations to refer matters of suspected market abuse. The matter concerned suspected market manipulation.

NASDAQ ICELAND - REFERRALS SEND TO FSA IN 2014-2018



First North

In the third quarter the following companies joined (enjoyed their first day of trading on) the Nasdaq First North Platform:

- Odico A/S
- AS Frigate
- Hypefactor A/s
- Ayima Group AB
- Asarina Pharma AB

In the same quarter the following companies ended their trading on the First North Platform:

- Infant Bacterial Theraputivs AB which moved over to Nasdaq Main Market Stockholm.
- Brinova Fastigheter AB which moved over to Nasdaq Main Market Stockholm.
- NattoPharma ASA

More information with respect to changes in the list can be found on the following [link](#).

Disciplinary Cases

DISCIPLINARY CASE 2018:7 – OSCAR PROPERTIES AB

On September 14th, 2018 the Disciplinary Committee of Nasdaq Stockholm found that Oscar Properties Holding AB (“Oscar Properties” or the “Company”) had breached Nasdaq Stockholm’s Rule Book for Issuers (the “Rule Book”) and accordingly, imposed a fine on Oscar Properties amounting to two annual fees.

The Disciplinary Committee concluded that Oscar Properties had breached Section 3.1 of the Rule Book by failing to disclose, as soon as possible, information regarding the arrest of the Company’s Chairman on September 26, 2017, as well as information about the suspicion of aggravated insider trading by the Chairman. Moreover, the Disciplinary Committee found that Oscar Properties had contravened Section 3.3.6 in combination with Sections 3.3.1 and 3.1 of the Rule Book by failing to disclose sufficiently comprehensive information regarding the underlying reason behind a forecast adjustment published by the Company on October 23, 2017. The Disciplinary Committee took a particularly serious view of the breaches as the Disciplinary Committee previously had criticized the Company in another matter regarding inadequate information disclosure (see the Disciplinary Committee’s decision 2017:03). The Disciplinary Committee therefore has decided to impose a sanction corresponding to two annual fees.

A detailed description of the matter and the Disciplinary Committee’s decision is available via the following [link](#).

DISCIPLINARY CASE 2018:8 – CASSANDRA OIL AB

On September 14th, 2018 the Disciplinary Committee of Nasdaq Stockholm decided that the shares of Cassandra Oil AB (“Cassandra Oil” or the “Company”) were to be delisted from Nasdaq First North. The last day of trading will be November 20, 2018. The Disciplinary Committee found that Cassandra Oil had conducted a number of breaches of the Nasdaq First North Rulebook (the “Rule Book”).

The Disciplinary Committee concluded that Cassandra Oil, on several occasions and for a protracted period of time, had failed to fulfill its disclosure obligations. This included breaches in connection with disclosures regarding funding agreements and share issues, the Board of Directors’ decision to prepare a balance sheet for liquidation purposes, the fire in the Company’s workshop and thereto related financial impacts

including the rejection of an insurance claim, the sale of products to a Danish counterparty and the Company's actions with regard to proposed incentive programs.

The Disciplinary Committee further concluded that the breaches showed that the Company's organization and staffing for providing information to the market is and had been inadequate for an extended period. Based on the meeting before the Disciplinary Committee, the Committee also considered it clear that the Company lacked insight regarding the requirements apply to a listed company's information disclosure. According to the Disciplinary Committee, the Company lacked and continued to lack adequate capacity for providing information to the market pursuant to the Rule Book.

In summary, the Disciplinary Committee is of the opinion that Cassandra Oil's repeated rule breaches had undermined the public's confidence in Nasdaq Stockholm, Nasdaq First North and the Swedish securities market in general. According to the Disciplinary Committee, the relevant breaches, together with Cassandra Oil's previous non-compliance with the Rule Book, which had been subject of criticism from Nasdaq Stockholm in 2015 and 2016, demonstrated that the company lacked the necessary organization and competence to meet the listing requirements. Therefore, following an overall assessment, the Disciplinary Committee decided that Cassandra Oil's shares were to be delisted by no later than November 20, 2018.

A detailed description of the matter and the Disciplinary Committee's decision is available via the following [link](#).

DISCIPLINARY CASE 2018:9 – INVUO TECHNOLOGIES AB

On September 24th, 2018 the Disciplinary Committee of Nasdaq Stockholm found that Invuo Technologies AB ("Invuo" or the "Company") has breached the Nasdaq Stockholm's Rule Book for Issuers (the "Rule Book") and, accordingly, imposed a fine on Invuo amounting to seven annual fees.

The Disciplinary Committee found that Invuo had breached item 3.1 of the Rule Book in connection with the disclosure of information on the divestment of its subsidiary Seamless Distribution Systems AB in March 2017. In addition, the Disciplinary Committee concluded that Invuo, on two occasions in October and November 2017, breached item 3.1 of the Rule Book in connection with disclosure of information on the Board of Directors' decision to appoint a new CEO of the Company.

The Disciplinary Committee also concluded that Invuo, in press releases published on March 6, April 3, April 30 and May 17, 2018, breached article 4.1 of the Commission Implementing Regulation and article 17.4 of the Market Abuse Regulation concerning delayed disclosure of inside information as well as item 3.1 of the Rule Book in connection with the disclosure of information on the Company's negotiations with AJ Group Holdings Ltd regarding AJ Group's undertaking to invest about SEK 52 million in shares in Invuo and acquire the Company's loan to SDS. The breaches that the Disciplinary Committee found Invuo guilty of showed that the Company's organization and staffing for providing information to the market was inadequate during the period in question.

In summary, the Disciplinary Committee was of the opinion that Invuo, on several occasions, breached item 3.1 of the Rule Book and that the Company, in light of the high number of breaches combined with the serious nature of several of these, lacked adequate capacity providing information to the market according to item 2.4.3 of the Rule book. The Disciplinary Committee has thus decided that the sanction should be a fine corresponding to seven annual fees.

A detailed description of the matter and the Disciplinary Committee's decision is available via the following [link](#).

APPENDIX

Reprimands and sanctions towards issuers, members and certified advisers

Oscar properties holding ab	Disciplinary Committee Decision	September	Stockholm	Main Market	Described in section "Disciplinary cases" above
Cassandra oil ab	Disciplinary Committee Decision	September	Stockholm	First North	Described in section "Disciplinary cases" above
Invuo technologies ab	Disciplinary Committee Decision	September	Stockholm	Main Market	Described in section "Disciplinary cases" above
Issuer	Non-public reprimand	September	Stockholm	First North	Failure to follow disclosure obligations
Issuer	Non-public reprimand	September	Stockholm	First North	Failure to follow disclosure obligations
Issuer	Non-public reprimand	September	Stockholm	Main Market	Failure to follow disclosure obligations
Issuer	Non-public reprimand	September	Stockholm	Main Market	Failure to follow disclosure obligations
Issuer	Non-public reprimand	September	Stockholm	Main Market	Failure to follow disclosure obligations
Issuer	Non-public reprimand	September	Stockholm	Main Market	Failure to follow disclosure obligations
Issuer	Non-public reprimand	September	Stockholm	First North	Failure to follow disclosure obligations
Issuer	Non-public reprimand	September	Stockholm	Main Market	The company has not informed the Exchange about changes in the management that have had an effect on the company's fulfillment of listing requirements
Issuer	Non-public reprimand	September	Stockholm	First north	Failure to follow disclosure obligations
Issuer	Non-public reprimand	September	Helsinki	Main Market	Mistakes disclosing cg statement.
Issuer	Non-public reprimand	August	Stockholm	Main Market	The company failed to disclose inside information as soon as possible
Ca	Non-public reprimand	August	Helsinki	First North	Governance issue that has since been fixed. Not actual damage.
Issuer	Non-public reprimand	July	Stockholm	First North	Issues regarding profit warning
Issuer	Non-public reprimand	July	Stockholm	First North	Issues regarding profit warning
Issuer	Non-public reprimand	July	Stockholm	First North	Failure to follow disclosure obligations
Issuer	Non-public reprimand	July	Stockholm	First North	The company failed to disclose inside information as soon as possible
Per Aarsleff	Public reprimand	July	Copenhagen	Main Market	Disclosure of Q2 information on website prior to disclosure
Issuer	Non-public reprimand	July	Copenhagen	First North	Late disclosure of annual report

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Trading halts

COMPANY	DATE	MARKET	MM or FN	REASON
Digitalist Group Oyj	2018-09-28	Helsinki	Main Market	The trading was halted due to leakage of inside information
Danske Invest	2018-09-28	Copenhagen	Main Market	Technical issues
Lån og Spar	2018-09-14	Copenhagen	Main Market	Technical issues
Klaria Pharma Holding AB	2018-09-12	Stockholm	First North	The trading was halted due to leakage of inside information
Amer Sports Oyj	2018-09-11	Helsinki	Main Market	The trading was halted due to takeover offer
SEB, Maj og Wealth	2018-08-21	Copenhagen	Main Market	Technical issues
Sydinvest	2018-08-21	Copenhagen	Main Market	Technical issues
Danske Invest	2018-08-21	Copenhagen	Main Market	Technical issues
Viking Supply Ships	2018-08-09	Stockholm	Main Market	The trading was halted due to leakage of inside information
Sparindex	2018-07-26	Copenhagen	Main Market	Technical issues
Gunnebo	2018-07-17	Stockholm	Main Market	The trading was halted due to leakage of inside information
Xbrane Biopharma AB	2018-07-11	Stockholm	First North	The trading was halted due to leakage of inside information
Stock Rate	2018-07-13	Copenhagen	Main Market	Technical issues
Sparindex	2018-07-09	Copenhagen	Main Market	Technical issues
Sparinvest	2018-07-05	Copenhagen	Main Market	Technical issues
Handelsinvest	2018-07-02	Copenhagen	Main Market	Technical issues

APPENDIX

Observation status Nordics

COMPANY	DATE	REASON	MARKET	MM OR FN	END DATE	REASON FOR REMOVAL
The Marketing Group plc	2018-09-21	Substantial uncertainty regarding the company or the pricing of its listed financial instruments	Stockholm	First North		-
Invuo Technologies AB	2018-09-14	Substantial uncertainty regarding the company or the pricing of its listed financial instruments	Stockholm	Main Market		-
Cinnober	2018-09-14	Subject to a takeover offer	Stockholm	First North		-
House of Friends	2018-09-10	Subject to a takeover offer	Stockholm	First North		-
Orava Asuntorahasto Oyj	2018-09-10	The company has initiated an extensive change in its organization	Helsinki	Main Market	2018-10-01	Change complete. Listed in different market segment with the name Ovaro Kiinteistösjointus Oyj
Skånska Energi	2018-09-06	Subject to a takeover offer. Updated 2018-09-21 due to additional offer.	Stockholm	First North		-
Hancap	2018-09-03	Substantial uncertainty regarding the company or the pricing of its listed financial instruments	Stockholm	First North		-
Insplanet	2018-08-31	Subject to a takeover offer	Stockholm	First North		-
Tenopolis Oyj	2018-08-28	Subject to a takeover offer	Helsinki	Main Market		-
Cortus Energy	2018-08-27	Due to uncertainty about the company's financial position.	Stockholm	First North		-
WeSC	2018-08-16	Due to uncertainty about the company's financial position.	Stockholm	First North		-
Capio	2018-07-13	Subject to a takeover offer	Stockholm	Main Market		-

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