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NASDAQ STOCKHOLM'S

DECISION

17 February 2020

DISCIPLINARY COMMITTEE

2020:02

Nasdaq Stockholm

Endomines AB (publ)

DECISION

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

Motion

The shares in Endomines AB (publ) (“Endomines” or the “Company”) are admitted for trading on Nasdaq Stockholm (the “Exchange”). The Company has signed an undertaking to comply with the Exchange’s rules for issuers applicable from time to time (“Rule Book”).

The Exchange has argued that Endomines violated section 3.1 of the Rule Book by not making inside information public as soon as possible in accordance with Article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council (“MAR”). With reference to section 5 of the Rule Book, the Exchange has moved that the Disciplinary Committee evaluate the violation of the Rule Book and impose a suitable sanction.

Endomines has stipulated to the facts, but denied that the Company is guilty of the alleged violation of the Rule Book.

Neither of the parties have requested an oral hearing. The Disciplinary Committee has reviewed the documents in the matter.

Reasons for the decision

The Rule Book

Pursuant to section 3.1 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 (“MAR”).

Pursuant to Article 17(1) of the MAR, an issuer shall inform the public as soon as possible of inside information which directly concerns that issuer. The issuer shall also ensure that the inside information is made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public.

Considerations

Background

At lunchtime on 1 October 2018, the Company received information from its mine in Pampalo that the production volume of gold from the mine for the year was greater than had been forecast. After having evaluated the information, management came to the conclusion that the Company’s previously published production forecast for 2018 needed to be revised. A press release was thereafter drafted with a revised forecast and was submitted to the Company’s board of directors for approval on 2 October at approximately 3:30 PM. On 3 October, at 11 AM, the Company published a press release with information that Endomines’ gold production during the period of January–October 2018 would exceed 300 kg and, therefore, the production forecast for 2018 was increased to 312–320 kg, as compared to the production forecast of 270–300 kg previously announced by the Company. The press release contained a reference that the information was the type of information as the Company was obligated to make public pursuant to the MAR.

The Exchange has argued: The Company made the determination that the information contained in the press release constituted inside information not later than 3:30 PM on 2 October. Therefore, pursuant to Article 17(1) of the MAR, the Company was obligated to make the information public as soon as possible, or to take a decision to delay disclosure pursuant to Article 17(4) of the MAR. No decision regarding delayed disclosure of the information was taken by the Company and the information was not disclosed until 3 October at 11 AM. Accordingly, the Company did not make the information public as soon as possible in accordance with Article 17(1) of the MAR and thus also violated section 3.1 of the Rule Book.

Endomines has argued: The Company received the information regarding the production volumes from Pampalo at around lunchtime on 1 October 2018. The operation of the Pampalo mine was to cease during the autumn of 2018, which had made it particularly difficult to estimate the gold production volumes towards the end of 2018. Therefore it also took longer than usual to assess the consequences of the information regarding the production volumes on the Company’s published production forecast. After having analysed the information, management’s conclusion was, however, that the production forecast would need to be modified, and thus management sought approval from the board of directors for

the disclosure. A draft press release, including a proposal for a new production forecast, was presented for Endomines' board's approval as soon as possible. After having received approval from the board of directors on the evening of 2 October, the Company thereafter disclosed the inside information now at issue at 11 AM on the following day.

The Disciplinary Committee observes that it is undisputed that the information in the press release which the Company published constituted inside information and that the question is the time at which the Company was obligated to disclose the information. Based upon the information which the Disciplinary Committee has reviewed, it is not possible to determine the exact point in time at which the inside information at issue here should have been disclosed. Taking into consideration that the Company's management, prior to 3:30 PM on 2 October, reached the conclusion that the previously published production forecast would need to be modified, and that the Company made the determination that this revision of the forecast constituted inside information, in any event the Company must have had an obligation at that time, pursuant to Article 17(1) of the MAR, to make the information now at issue public as soon as possible. However, the Company did not disclose the inside information until the following day and such a time gap cannot be deemed to fall within the Company's obligation to make the information public as soon as possible. In the Disciplinary Committee's opinion, the fact that management thought that it needed to obtain the board of directors' approval in order to revise the Company's production forecast also does not affect the assessment of whether the disclosure was timely. Accordingly, the Disciplinary Committee's determination is that the Company did not disclose the information regarding the changed production volumes as soon as possible. The Company thereby violated section 3.1 of the Rule Book.

In summary, the Disciplinary Committee finds that Endomines violated section 3.1 of the Rule Book. The Disciplinary Committee establishes the sanction as a fine corresponding to two times the annual fee.

On behalf of the Disciplinary Committee,

A handwritten signature in blue ink, appearing to read 'Marianne Lundius', is written over a light blue rectangular background.

Marianne Lundius

Former Justice Marianne Lundius, Justice Ann-Christine Lindeblad, former authorised public accountant Svante Forsberg, company director Anders Oscarsson, and company director Joakim Strid participated in the committee's decision.

Secretary: *Jur. kand.* Erik Lidman