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NASDAQ STOCKHOLM

DECISION

3 Jul 2020

DISCIPLINARY COMMITTEE

2020:07

Nasdaq Stockholm

Italeaf S.p.A.

DECISION

The Disciplinary Committee decides to remove the shares (depository receipts) of Italeaf S.p.A. from trading on Nasdaq First North. The shares shall be removed from trading not later than 30 September 2020.

Motion

The shares in Italeaf S.p.A. (“Italeaf” or the “Company”) are admitted to trading, through depository receipts, on Nasdaq First North Growth Market, which is a trading platform of Nasdaq Stockholm AB (the “Exchange”). The Company signed a commitment to comply with the Exchange’s rule book for Nasdaq First North Growth Market in force from time to time (the “Rule Book”).

The Exchange has asserted that Italeaf has violated section 4.4 of the Rule Book by repeatedly having failed to disclose financial statements and reports in accordance with the Rule Book.

Citing section 6.3 of Supplement B to the Rule Book, the Exchange has moved that the Disciplinary Committee decide to delist the Company’s shares from Nasdaq First North Growth Market.

Italeaf has admitted that the Company has committed the alleged violations of the Rule Book, but has requested the Disciplinary Committee not to delist the Company’s shares.

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 4.4 (a) of the Rule Book, an issuer shall disclose an annual financial statement release containing the most important information from the forthcoming annual financial report. Pursuant to section 4.4 (b) of the Rule Book, an issuer shall disclose a half-yearly financial report.

Pursuant to section 4.4 (c) of the Rule Book, an annual financial statement release and a half-yearly financial report shall be disclosed as soon as possible after the issuer has approved the relevant accounts, however not later than within three months from the expiry of the reporting period for annual financial statement releases and within two months for half-yearly financial reports.

Section 4.4 (e) of the Rule Book provides that an annual financial statement release shall, in various respects, contain financial information relating to both the current reporting period as well as the financial year as a whole.

Considerations

On 28 March 2019, Italeaf published a press release containing information that the Company had decided to postpone its disclosure of relevant financial information with respect to the 2018 financial year until a later date, provisionally between 17 June and 28 June 2019, in order to take into account the result of ongoing negotiations with its creditors with the aim of achieving a restructuring agreement for the Company within the scope of a pending company reorganisation. Since, at the beginning of 2020, the Company had still not disclosed any annual financial statement release for 2018 nor any half-yearly report for 2019, the Exchange sent a statement of reprimand to the Company on 16 January 2020. The Company responded thereto in writing on 30 January 2020 and published its annual report for 2018 on 21 February 2020. On 7 March 2020, the Company published a press release containing information that the Company's auditor had declared that it was impossible to comment on the annual report. On 25 March 2020, the Company disclosed its half-yearly report for 2019. The disclosure stated that the Company had decided to postpone disclosure of its annual financial statement release for 2019. The Company has not yet disclosed any annual financial statement release for 2019.

The Exchange has asserted: The Company has failed to disclose any annual financial statement release for 2018, while the annual report for 2018 published by the Company failed to satisfy the requirements regarding the content of an annual financial statement release as set out in the Rule Book, such as financial information for the current reporting period and comparative figures for the same period during the previous financial year. In any event, the financial information in question was not disclosed within the three-month deadline prescribed in the Rule Book, but rather just over one year after the expiry of the disclosure deadline. The Exchange further notes that the Company failed to disclose its half-yearly report for 2019 within the two-month deadline prescribed in the Rule Book, and that the Company has not yet disclosed its annual financial statement release for 2019 notwithstanding that the deadline therefor has expired. Thus, the Company has violated section 4.4 (c) of the Rule Book on three occasions.

As a consequence of the Company's deficient regulatory compliance, during an extended period of time the market has, only irregularly and with great delay, had access to relevant

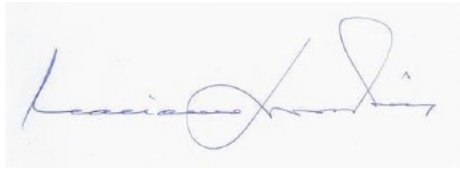
financial information about the Company, which risks damaging public confidence in the Exchange, Nasdaq First North Growth Market and the securities market in general. In the context, it must be underscored that it is of greatest importance for the Exchange's ability to maintain fair and orderly trading on its trading venues that the Exchange receives regular financial information about its issuers in accordance with the Rule Book. In light of the foregoing, the Exchange believes that the Company's violations are so serious that the Company's shares should be delisted from trading.

The Company has asserted: Italeaf confirms that the Company has failed to disclose the currently relevant financial statements in accordance with the time limits set out in the Rule Book. There are, however, a number of circumstances which the Disciplinary Committee should take into account in its assessment of the matter. *Firstly*, the Company has been fully transparent in its communication to the market regarding the various phases of the Company's reorganisation process and the production of a restructuring plan, etc. All circumstances which relate to the still ongoing reorganisation process constitute material contributory factors to non-disclosure of the financial statements as stipulated in the Rule Book, and these circumstances have been clearly disclosed. *Secondly*, the delay in disclosure of the financial statements and reports has been, and still is, a consequence of the delay in approval of the financial documents of the Company's subsidiary, AlgoWatt S.p.A, and the ongoing Covid 19 outbreak. With respect to the link to the Covid 19 outbreak, the Company has decided to delay disclosure of financial statements and reports in light of ESMA's recommendation of 11 March 2020 regarding publication of the effects of Covid 19 on listed companies and the effects of governmental crisis packages. The Company's Board of Directors thus intends to determine the effects that Covid 19 has had on the Company, the ongoing reorganisation plan and other financial arrangements that have previously been disclosed. *Thirdly*, during its time on Nasdaq the Company has otherwise duly managed its information disclosure and, with the exception of the currently relevant violations, has acted in accordance with the Rule Book. The currently relevant violations are due to extraordinary circumstances in the individual case and constitute an isolated phenomenon, a factor which the Disciplinary Committee should take into account when deciding on sanctions.

The Disciplinary Committee notes that it is common ground that Italeaf has, on repeated occasions, belatedly disclosed financial statements and reports for the years 2018 and 2019 and that the Company has still failed, despite a demand from the Exchange, to disclose all of its financial statements and reports in compliance with the Rule Book. Thus, the Company has repeatedly violated section 4.4 of the Rule Book, and is continuing to do so.

In the Disciplinary Committee's opinion, Italeaf's repeated violations of the Rule Book are of such a serious nature that the violations risk, and still risk, damaging the market's and the general public's confidence in the Exchange, Nasdaq First North and the Swedish securities market in general. The Company's assertions in explanation of the violations do not affect this assessment. In light of the serious nature of Italeaf's violations of the Rule Book, the Disciplinary Committee considers that the Company's shares (depository receipts) shall be removed from trading not later than 30 September 2020.

Behalf of the Disciplinary Committee

A handwritten signature in blue ink, appearing to read 'Marianne Lundius', with a stylized flourish at the end.

Marianne Lundius

Former Justice Marianne Lundius, Justice Ann-Christine Lindeblad, former authorised public accountant Svante Forsberg, attorney Wilhelm Lüning and authorised public accountant Magnus Svensson Henryson participated in the decision.

Secretary: Jur.dr Erik Lidman