

Decision by the Disciplinary Committee regarding Citigroup Global Markets Europe AG

Stockholm, November 11, 2024— The Disciplinary Committee of Nasdaq Stockholm (the “Exchange”) has found that Citigroup Global Markets Europe AG (the “Company”) has breached the Nasdaq Nordic Member Rules (the “Rulebook”) and therefore ordered the Company to pay a fine of SEK 6,000,000.

On May 2, 2022 the Exchange’s Trading Surveillance function identified a significant price drop in a number of financial instruments and indices, including equities, futures and Exchange Traded Products (the “Market Event”) traded on markets operated by Nasdaq Nordic. The price drop lasted for approximately seven minutes before correcting to roughly the same levels as before the drop. During the price drop, the indices in Denmark, Finland and Sweden were down approximately 6.5%, 7% and 8%, respectively. The Exchange’s analysis showed that the Company was the major seller in the market, and thereby triggered the Market Event.

The Exchange argued before the Disciplinary Committee that the Company violated the Rulebook by not having in place sufficient pre-trade controls, by submitting non-genuine orders to the Exchange, by failing to properly monitor its trading activity, by failing to keep contact information provided to the Exchange up to date and by not immediately notifying the Exchange of a material deviation from the provisions of the Rulebook.

The Disciplinary Committee states that it is evident that the Company's trading control system did not prevent an individual trader from executing erroneous orders with a total value of 189 billion dollars, and that the warnings the trader received in the system could easily be dismissed. According to the Disciplinary Committee, the Company did not have the required trading control systems considering the nature and scope of its operations. The Disciplinary Committee sees no reason to doubt that the Market Event was initiated and predominantly caused by the actions of the Company's trader and the deficiencies in the Company's control system.

The Disciplinary Committee notes that the Company has violated five sections of the Rulebook. The Disciplinary Committee takes a particularly serious view of the deficiencies in the Company's internal control and the effects that the erroneous orders on May 2, 2022, as far as can be assessed based on the case material, had on the market. The Disciplinary Committee sets the fine at SEK 6,000,000.

The Disciplinary Committee’s decision is available at:

<https://www.nasdaq.com/market-regulation/nordic/stockholm/disciplinary/decisions-sanctions>

About the Disciplinary Committee

The role of Nasdaq Stockholm’s Disciplinary Committee is to consider suspicions regarding whether Exchange Members or listed companies have breached the rules and regulations applying on the Exchange. If the Exchange suspects that a member or company has acted in breach of the rules, the matter is referred to the Disciplinary Committee. Nasdaq Stockholm investigates the suspicions and pursues the matter and the Disciplinary Committee issues a ruling regarding possible sanctions. The sanctions possible for listed companies are a warning, a fine or delisting. The sanctions possible for Exchange Members are a warning, a fine or debarment. Fines paid are not included in the Exchange’s



business but are attributed to a foundation supporting research in the securities market. The Disciplinary Committee's Chairman and Deputy Chairman must be lawyers with experience of serving as judges. At least two of the other members of the Committee must have in-depth insight into the workings of the securities market.

Members: Former Supreme Court Justice Marianne Lundius (Chairman), Supreme Court Justice Petter Asp (Deputy Chairman), Supreme Court Justice Johan Danelius, Company Director Anders Oscarsson, Company Director Joakim Strid, Lawyer Wilhelm Lüning, Lawyer Patrik Marcelius, Lawyer Erik Sjöman, MBA Carl Johan Högbom, Authorized Public Accountant Magnus Svensson Henryson, Former Authorized Public Accountant Svante Forsberg, Lawyer Magnus Lindstedt and director Kristina Schauman.

About Nasdaq

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