<u>IMPORTANT NOTICE</u>: This version is a translation of the original Swedish decision and is only made available for information purposes.

NASDAQ STOCKHOLM'S	DECISION	14 February 2025
DISCIPLINARY COMMITTEE	2025:02	

Nasdaq Stockholm

Doro AB (publ)

DECISION

The Disciplinary Committee orders Doro AB (publ) to pay Nasdaq Stockholm a fine corresponding to two times the annual fee.

Motion

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

The Exchange has argued that Doro violated Article 17 of the MAR and section 3.1.1 of the Rule Book by not disclosing inside information as soon as possible. The Exchange has moved that the Disciplinary Committee evaluate the alleged violations of the Rule Book and impose a suitable sanction.

Doro has contested that there was the violation of the Rule Book.

A hearing in the matter was held before the Disciplinary Committee on 10 February 2025, at which the Exchange was represented by the Head of Enforcement & Investigation Christine Hult and Lead Regulatory Compliance Peter Olivecrona. Doro was represented by CEO Julian Read and *Advokat* Björn Kristiansson.

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Reasons for the decision

The Rule Book

Pursuant to section 3.1.1 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 of the MAR, an issuer shall inform the public as soon as possible of inside information which directly concerns the issuer in a manner which provides the public with quick access to information which enables complete, correct and timely assessment of the information.

According to Article 17(4) of MAR, an issuer may, on its own responsibility, delay disclosure to the public of inside information provided that:

a) immediate disclosure is likely to prejudice the legitimate interests of the issuer;
b) delay of disclosure is not likely to mislead the public; and
c) the issuer is able to ensure the confidentiality of that information.

Considerations

On 14 June 2024, Doro published a press release stating that the Company "streamlines DACH business structure with strategic divestment." The press release included a statement that the Company "is now finalizing the divestment of its German subsidiary /distribution and fulfilment business, IVS Industrievertretung Schweiger GmbH ("IVS"), to its Irish distribution partner Fónua [...]" and that "[c]losing is expected to take place end of June." The press release contained a reference that the information was of the type that the Company was obligated to make public pursuant to the MAR. On 17 July 2024, the Company published its half-year report for the first six months of 2024 in a press release. The press release included a statement that "[i]n the middle of June, [the Company] announced the signing of a Share Purchase Agreement for the divestment of our German subsidiary IVS" and the half-year report stated that the Company was "in the final stages of divesting IVS and the restructuring of our German business." The press release contained a reference that the information was of the type that the Company was obligated to make public pursuant to the MAR.

On 23 August 2024, the Company's CEO received a phone call from Fónua in which they informed the Company that Fónua was considering withdrawing from the acquisition of IVS. The Company then made the assessment that the information constituted inside information and decided to delay disclosure because the meaning of the conversation was unclear. This was followed by repeated contacts and negotiations between the Company and Fónua until 25 September, when the parties agreed not to proceed with the transaction.

On 25 September 2024, the Company published a press release stating that the Company and Fónua "mutually agree not to finalise the transaction for the divestment of Doro's German subsidiary IVS." The press release contained information that the parties "have decided not to finalise the transaction" and that they "have come to the joint conclusion, during the timeframe between signing and closing, that the current relationship is the commercially and strategically most beneficial to both parties." The press release contained a reference that the information was of the type that the Company was obligated to make public pursuant to the MAR.

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The Exchange has argued: Information received by the Exchange from the Company shows that the Company's CEO was contacted on 23 August 2024 by Fónua who presented two proposals: (i) that the transaction would be cancelled and that the Company would pay Fónua's legal costs; or (ii) that Fónua would initiate legal action because Fónua believed that it had been misled regarding the sales potential of the IVS business. The Company made the determination that the information regarding a potential renegotiation of the conditions for completion or termination of the transaction constituted inside information as it created a material uncertainty for the Company as to whether Fónua's intention was to withdraw from the transaction or to open for renegotiation of the conditions for completion. The Company has further stated that, in light of the phone call, it chose to take a decision to postpone disclosure of the inside information in order to be able to clarify Fónua's position through further discussions and negotiations in the weeks following 23 August 2024. The Exchange shares the Company's assessment that there were legitimate interests in delaying the disclosure. However, in the opinion of the Exchange, it is clear that the inside information in the conversation with Fónua on 23 August 2024 differed significantly from the Company's most recent disclosure regarding the transaction in question dated 17 July 2024. The ESMA Guidelines on MAR state that situations where delaying the disclosure of inside information is likely to mislead the public include cases where the inside information differs materially from previous public announcements. Therefore, the Exchange finds that the Company did not comply with the requirement in Article 17(4)(b) of the MAR, which means that the Company was not entitled to delay the disclosure. Instead, the Company was obliged to disclose the information as soon as possible, which did not take place until the 25 September 2024 disclosure that the transaction was cancelled. The Company violated Article 17 of the MAR and section 3.1.1 of the Rule Book by not disclosing the information as soon as possible.

Doro has argued: When the Company received the phone call on 23 August 2024 in which Fónua requested changes to the contract or, in the alternative, threatened to withdraw from the acquisition the Company's view was that Fónua's intention, was to open up negotiations on the final terms and conditions of the transaction. The call led to a negotiation session in which Fónua made it clear to Doro that Fónua still intended to proceed with the transaction, provided the terms and conditions of the agreement were made more favourable to Fónua. As Doro was, at that time, still firmly committed to completing the transaction, there was a clear and urgent need to clarify Fónua's intentions through further discussions and negotiations before it could provide correct and precise information to the market. Doro's initial assessment was that the likely outcome of these negotiations would not even constitute inside information and therefore did not need to be communicated to the market. As the intention of both parties was still to complete the transaction, the decision to delay the disclosure did not mislead the public and, even if completion were delayed, it would not materially affect, or differ from, the information previously disclosed in connection with the transaction. Instead, it is Doro's firm assessment that during the period when discussions between the parties were ongoing and the outcome was still uncertain, there was a risk that an immediate disclosure of the information - rather than the decision to delay disclosure - would be misleading and thus incompatible with the objectives underlying Article 17 of the MAR. In light of this, the Company does not agree with the Exchange's assessment that the inside information that arose in connection with the telephone call from Fónua on 23 August 2024 was materially different from the information in the half-year report dated 17 July 2024 that the Company was in the final stage of the divestment of IVS and the restructuring of its German operations. After receiving the information on 23 August 2024, Doro assessed that it was still likely that the parties would end their negotiations and complete the transaction in the short term, and

thus concluded that there was no material deviation from the information in the half-year report. Doro maintained this assessment until it became clear that the parties would not be able to reach an agreement to conclude the divestment, after which the Company immediately disclosed the inside information to the market. Renegotiations between signing/disclosure and closing, respectively, is standard practice in many M&A transactions without justifying separate disclosures. Thus, the Exchange's interpretation of Article 17(4)(b) of the MAR risks being in conflict with market practice. The consequence of such a change could have a material impact on the listed company's operations.

The Disciplinary Committee observes that the issue in the case concerns the interpretation of Article 17(4)(b) of the MAR and whether Doro's 23 August 2024 decision to delay disclosure was likely to mislead the public. Doro's press release of 14 June 2024 stated that the Company was in the final stages of the sale of IVS and that it expected to close the transaction by the end of June. The press release of 17 July 2024 stated again that the Company was in the final stages of the sale. Neither of the press releases indicated that there was any uncertainty as to whether the sale would take place and the Company did not disclose any conditions for completion or the like. In light of this, in the Disciplinary Committee's view, the market was entitled to assume that the sale would be carried out and that there were no uncertainties regarding it. Thus, when Fónua announced its new position on the question of acquisition on 23 August 2024, it was information that was in clear contrast to what the Company had previously published and, in light of the Company's previous unreserved communication, the Disciplinary Committee finds that there was no prerequisite for deferred publication under Article 17(4)(b) of MAR. Doro has thus violated Article 17.4 of the MAR and thereby section 3.1.1 of the Rule Book. The Disciplinary Committee considers the violation to be serious, and therefore a fine shall be imposed as a sanction. The Disciplinary Committee sets the fine at two times the annual fee.

On behalf of the Disciplinary Committee,

Marianne Lundius

Former Supreme Court Justice Marianne Lundius, Supreme Court Justice Johan Danelius, *Advokat* William Lünig, *Advokat* Patrik Marcelius, and company director Anders Oscarsson participated in the Committee’s decision.

Secretary: Associate Professor Erik Lidman