

Supplement Finland



INTRODUCTION

In addition to the rules stated in Spotlight's current regulations (the "**Regulations**") the following rules replace or supplement the rules in sections in 1, 2, 3, 4 and 7 of the Regulations with respect to companies registered in Finland that are, or intend to be, listed (each a "**Company**") at Spotlight Stock Market operated by Spotlight Stock Market AB ("**Spotlight**" or the "Marketplace"). Subsections in this document for which there are subsections with identical numbers in the Regulations shall replace such subsections of the Regulations. Subsections in this document for which there are no subsections with identical numbers in the Regulations shall supplement the Regulations.

The Company shall be compliant with Finnish legislation as well as regulations and reporting obligations to the local Financial Supervisory Authority (FSA) both in Finland (Finanssivalvonta) and Sweden (Finansinspektionen).

General acceptable behaviour on the Swedish Securities market

The Company whose shares are traded on Spotlight must comply with generally acceptable behaviour relating to disclosure and information requirements in the securities market.

In order for the Finnish companies to comply with general acceptable behaviours in the Swedish Securities market, the most important rules have been attached to Supplement Finland. Please also see Appendices 1 - 3.

The Swedish Corporate Governance Board

Appendix 1: Private Issue of shares

The Swedish Corporate Governance Board has issued a recommendation that expresses what is regarded as generally accepted principles in the stock market for private placement of shares, convertibles and warrants in companies whose shares are admitted to trading on Spotlight's trading platforms: Private placement of shares.

Appendix 2: Public takeover

The Swedish Corporate Governance Board has issued rules regarding public takeover applicable when someone makes a public takeover offer to holders of shares issued by a company which is admitted to trading on Spotlight's trading platforms: Takeover rules for certain trading platforms.

Appendix 3: Remuneration rules

The Swedish Corporate Governance Board has issued Rules on Remuneration of the Board and Executive Management and on Incentive Programmes ("the Remuneration Rules"). The Remuneration Rules replace the previous self-regulation rules on remuneration to senior executives and on share and share price-related incentive programmes.



1. GENERAL PROVISIONS

1.2. The Company's general undertakings as towards the Marketplace, as long as its shares are listed on the Marketplace, include:

- i. to comply with the Regulations and provide the Marketplace with the particulars and information that the Marketplace considers that it needs to monitor the Company's compliance with the Regulations, relevant statutes and regulations issued by public agencies. The requirement also means that the Company accepts that its auditor/s may provide the above particulars and information to the Marketplace;**
- ii. to appoint a market maker if the Marketplace decides that conditions for effective trade do not exist;**
- iii. to carry out a reverse split or split of the Company's shares if the Marketplace decides that this is necessary to achieve effective trade;**
- iv. to comply with general acceptable behaviours in the Swedish Securities market such as (i) The Swedish Corporate Governance Board at any time applicable recommendation on Private Placements, see Appendix 1, and (ii) The Swedish Corporate Governance Board at any time applicable Takeover rules for certain trading platforms, see Appendix 2 and Appendix 3 Remuneration rules;**
- v. to pay regular fees to the Marketplace in accordance with the price list and payment terms in effect from time to time, available on the Marketplace's website. Changes in fees will apply to the Company no earlier than 30 days after the Marketplace informs the Company of the changes;**
- vi. to observe a written notice period of three (3) months.**

2. LISTING REQUIREMENTS

2.7. Number of shareholders

The Company must have a sufficient number of shareholders.

Commentary

The basic requirement is that there must be at least 300 shareholders, each having a holding worth at least EUR 400 (following broadening of share ownership or a share issue in conjunction with the listing). A company with substantially more shareholders with a smaller holding per person may be accepted in some cases. A lower number of shareholders may be accepted in some cases if the Company engages a market maker.

Ongoing ownership requirement

If the number of shareholders, in the assessment of the Marketplace, does not meet the requirement while the Company is listed on the Marketplace, the Marketplace will urge the Company to take action to meet this requirement once again. The Marketplace may require the Company to engage a market maker. If trading in the shares nonetheless remains sporadic, it may become necessary to place them on the observation list. A decision by the Marketplace to this effect will be preceded by a discussion with the Company.

Listing a second series of shares or other financial instruments

If the Company wishes to list a second series of shares, the Marketplace will determine whether liquidity from that series may be sufficient. In practice, this means at least 100 holders each owning financial instruments worth approximately EUR 400.

2.8. Pricing

The market price of shares in the Company must be at least EUR 0.50 per share at the time of listing.

Commentary

This listing requirement applies only at the time of listing. Exemption from this requirement may be granted if there are particular reasons for doing so.



3. INFORMATION REGULATIONS

3.9.a. Amendment of commentary to section 3.9 of the Regulations

The paragraph under the heading "Information supplied to the Swedish Financial Supervisory Authority (FSA)", in the commentary to section 3.9 of the Regulations, shall be amended to read as follows:

"Immediately after the information has been disclosed, the Company must inform the Swedish Financial Supervisory Authority (FSA), or another competent authority to which such notification is to be provided according to MAR, that the disclosure has been delayed. The FSA then has the right to ask the Company to submit a written account of how conditions i) – iii) above have been met."



4. OTHER MANDATORY DISCLOSURE OF INFORMATION

4.2. Time for publication of financial reports and annual reports

Regular financial reports must be published within two months from the end of the reporting period.

An annual report accompanied by an auditor's report must be published.

Commentary

The Company shall keep its annual report and auditor's report available to the shareholders on the Company's webpage. The annual report and auditor's report must also be published in the form of a press release.

The Company shall give notice in advance as regards which date the financial report will be publicly disclosed. However, the Company may subsequently choose to change the pre-announced date to an earlier or later date. Information regarding changed date of disclosure of a financial report shall be publicly disclosed through press release. A financial report shall always be publicly disclosed within two months after the reporting period has ended.

4.8. Section 4.8 of the Regulations ("Balance sheet for liquidation purposes (kontrollbalansräkning)")

The Company's equity is less than one-half of the registered share capital

The board of directors shall immediately disclose information if there exists reason to believe that the Company's equity is less than one-half of the registered share capital together with a description of how the Company plans to restore the registered share capital.

The board of directors shall immediately publicly disclose information about the prepared balance sheet.

Commentary

In conjunction with the public disclosure, the Company's Shares may be placed on the observation list under section 6.1.

4.16. Issue memorandum

If the Company makes a rights issue or public issue, and a prospectus is not legally required, the Company must publish an issue memorandum presenting relevant information about the Company and the offer no later than one trading day before the subscription period begins.

The issue memorandum must at least include the information specified in the Marketplace's Guidelines on Issue Memorandums, available on the Marketplace's website¹.

The issue memorandum must be reviewed by the Marketplace before it is made public.

Commentary

As a rule, when shares are offered to the public in the EU/EEA, an EU-prospectus must be prepared and approved by the Financial Supervisory Authority of Finland (Finanssivalvonta). Exemptions from the obligation to prepare an EU-prospectus may be available in some cases, depending on the specific rules of the jurisdiction in which the offering takes place. With respect to offerings to the public in Finland, an exemption from the obligation to prepare an EU-prospectus is available, for example, when the total consideration for each such offering, including the offering in question, is less than EUR 8 million calculated over a 12-month period. For offerings to the public in Finland with a total consideration of between EUR 1 million and EUR 8 million calculated over a 12-month period, a national prospectus will, however, need to be prepared and registered with the Finnish Register of Business Enterprises **unless** an exemption is available under the Finnish Securities Markets Act (*Arvopaperimarkkinalaki*). Note! If an offering is also extended to the Swedish market, please note that the threshold for prospectus is EUR 2.5 million. Relevant exemptions from the obligation to prepare an EU-prospectus or a national prospectus for offerings in Finland, regardless of whether the aforementioned thresholds have been met, may be that the offering is addressed to fewer than 150 natural or legal persons and/or solely to so-called "qualified investors" within the meaning of Regulation (EU) 2017/1129.

¹ <https://www.spotlightstockmarket.com/sv/redan-noterad/vaegledning/>.



If the Company is not obliged to prepare a prospectus (i.e. neither a national prospectus nor an EU-prospectus), it must prepare and publish an issue memorandum. The issue memorandum must clearly state the use to which the capital that the Company intends to raise will be put. The purpose is to give investors an understanding of the Company's intended aim in raising capital.

If the Company makes an issue directed to customers of a bank or stockbroker in order to broaden share ownership, an issue memorandum must be prepared.

The Marketplace must receive the full issue memorandum, including a completed checklist (available on the Marketplace's website) no later than seven (7) whole trading days before publication. The memorandum, including the completed checklist, is to be sent to the Marketplace by e-mail.

The Marketplace may require information to be added to the issue memorandum if it considers that information to be important to the stock market.

4.17.a. Certain private placements – chapter 16 in the Swedish Companies Act (Lex Leo)

Issue of shares, warrants or convertible instruments

A resolution regarding a new issue of shares or issue of warrants or convertible instruments shall always be adopted or approved by the general meeting and be supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the general meeting, if:

- i. the shareholders of the Company shall not be entitled to subscribe pro rata to the number of shares, warrants or convertible instruments they own or in accordance with the provisions of the articles of association; and**
- ii. the persons who are, instead, entitled to subscribe for shares, warrants or convertible instruments belong to one or more of the following categories;**
 - a) members of the board of directors of the issuing company or another undertaking within the same group;**
 - b) the managing director of the issuing company or another undertaking within the same group;**
 - c) other employees of the issuing company or another undertaking within the same group;**
 - d) a spouse or co-habitee of any person referred to in points a-c;**
 - e) a person who is under the custody of any person referred to in subsections a-c; or**

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- f) a legal person over which any person referred to in points a-e, alone or together with any other person referred to therein, exercises a controlling influence.

If the company deciding on the issue of shares, warrants or convertible instruments is a subsidiary to a public company, the decision shall also be approved by a general meeting in the parent company and be supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at that general meeting.

Transfer of shares, warrants or convertible instruments

If a public company or a subsidiary to such a company has issued shares, warrants or convertible instruments with subscription rights for another company in the same group, the latter company may not transfer those shares, warrants or convertible instruments to any of the persons listed in *Issue of shares, warrants or convertible instruments* ii a) – f) above, except if such a transfer is adopted or approved by the general meeting and is supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the general meeting.

If the company deciding on the transfer of shares, warrants or convertible instruments is a subsidiary to a public company, the decision shall also be approved by a general meeting in the parent company and be supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at that general meeting.

What is stated in the section *Transfer of shares, warrants or convertible instruments* shall not apply to a transfer equal to less than one percent of the group's value.

Certain loans

If a company decides to loan money where the amount of interest on the loan or the repayment amount will increase if the profit or the dividends of the company increase, such a decision needs to be adopted or approved by a general meeting. If any of the persons listed in *Issue of shares, warrants or convertible instruments* ii a) – f) above shall have priority when it comes to subscribing for the loan or shall be entitled to subscribe for the loan on special terms, the decision needs to be adopted or approved by the general meeting and needs to be supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the general meeting.

If the company deciding on loaning the money is a subsidiary to a public company, the decision shall also be approved by a general meeting in the parent company and be supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at that general meeting.

4.18.a. Incentive programs

The Swedish Securities Council has issued a statement that expresses what is regarded as generally accepted principles in the stock market for incentive program, AMN 2002:1 – Incentive programs. The Swedish Corporate Governance Board has issued Rules on Remuneration of the Board and Executive Management and on Incentive Programmes (“the Remuneration Rules”). The Remuneration Rules codifies previous statements on incentive programmes and replaces AMN 2002:1 and subsequent statements on incentive programmes regarding matters regulated by the Remuneration Rules.

Commentary

AMN 2002:1² – Incentive programs – is available on the webpage of the Swedish Securities Council (www.aktiemarknadsnamnden.se). There is an official English translation, from the Swedish Corporate Governance Board, of AMN 2002:1. The main recommendations in AMN 2002:1, according to the Marketplace, are:

- Decisions on incentive programs can be made by either the annual general meeting or an extraordinary general meeting.
- Decisions should have the support of shareholders with at least nine tenths of both the votes cast and the shares represented at the general meeting.
- Board members should not participate in incentive programs unless there are special reasons for their doing so.
- Incentive programs designed solely for board members should not be prepared by a board member or the company's management and the board shall not present the proposal to the general meeting.
- The recommendations regarding incentive programs should apply not only to members of the board but also those who are likely to be elected board members or former board members.

When the AMN 2002:1 refers to the Leo Act, please see the provision under section 4.17.a.

4.21. Agreements with closely-related parties

If the Company enters into an agreement with a closely related party, this must be publicly disclosed unless the agreement is of minor importance to the Company. In this context, the term “with a closely related party” means

- i. a director, the CEO or other employees of the listed company or another company in the same group;
- ii. a spouse, cohabitant, or a person under the guardianship or custody of any person listed in i) above;
- iii. a legal entity controlled by any person listed in i) and/or ii) above;
or
- iv. a shareholder who controls more than ten per cent of the shares or voting rights in the Company.

² <http://www.aktiemarknadsnamnden.se/200201eng>



The Swedish Securities Council has issued a statement that expresses what is regarded as generally accepted principles in the stock market for closely related party transactions, AMN 2019:25.

Commentary

Information must be disclosed under this section if the agreement does not constitute a normal part of the Company's business. This means that disclosure is not necessary for matters that are available to many employees on similar terms.

Please note the Swedish Securities Council's statement AMN 2019:25³ which addresses transactions with closely related persons in companies whose shares are admitted to trading on a market place such as the Marketplace. The Swedish Securities Council considers that good practice with regard to transactions with closely related parties corresponds to the prescriptions in chapter 16a in the Swedish Companies Act in all material aspects.

4.26. Good practice in relation to changes of terms or conditions of financial instruments already issued

The Swedish Securities Council has issued a statement that expresses what is regarded as generally accepted principles in the stock market for changes of terms or conditions of financial instruments already issued, AMN 2015:26.

Commentary

AMN 2015:26⁴, which addresses good practice in relation to changes of terms or conditions of financial instruments already issued, is available on the webpage of the Swedish Securities Council (www.aktiemarknadsnamnden.se). The main recommendation in AMN 2015:26 is, according to the Marketplace, that convertibles, warrants and the like must be traded on predictable terms and that changes in those terms are acceptable only in special circumstances.

4.27. Rules regarding purchase and sale of the Issuer's own shares

The Company's resolution at a general shareholder meeting to purchase or sell the Company's own shares and decisions by the board of directors to utilise possible authorisations to purchase or sell the Company's own shares must be disclosed as soon as possible.

The disclosure must contain information about

- a) the period during which the decision to purchase or sell the Company's own shares is to be affected or during which the authorisation may be utilised;**
- b) existing holdings of the Company's own shares and the maximum number of shares intended to be purchased or sold;**
- c) highest and lowest price per share;**
- d) purpose of the purchase or sale; and**

³<http://www.aktiemarknadsnamnden.se/201925>

⁴<http://www.aktiemarknadsnamnden.se/201526>

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- e) other conditions for the purchase or sale.

The Company must disclose to the market all acquisitions and transfers involving the Company's own shares which have occurred not later than within seven trading days following the day of the purchase or sale.

The disclosure must contain information about

- a) the date of the transaction;
- b) details of the number of shares, distributed by class of share, covered by the purchase or sale;
- c) the price – or where applicable the highest or lowest price – paid or received per share,
- d) the Company's current holding of its own shares;
- e) the total number of shares in the Company;
- f) trading venue for the transaction; and
- g) the firms conducting the purchase or sale on behalf of the Company.

Commentary

The Company must comply with applicable regulations when purchase and sale of the Company's own shares is made on the Marketplace.

7. PENALTIES

7.1 Penalties

7.1.1. Penalties – Disciplinary Committee

If the Company breaches the information rules of the Regulations, law, ordinance, other statute or generally accepted practice in the stock market, the Marketplace may report the matter to its Disciplinary Committee.

If the breach is serious, the Disciplinary Committee may decide to delist the Company's Shares or, in other cases, impose a fine on the Company amounting to a maximum of one million Swedish kronor (SEK 1 million). If the breach is less serious or excusable, the Disciplinary Committee may issue a public warning to the company instead of imposing a fine.

A fine may be payable according to a ten-point scale. In fixing an individual company's fine, the Disciplinary Committee shall take into account the extent of the breach, other circumstances and the market capitalisation of the Company as shown in the table below.

Market capitalisation of the Company	Amount	Severity	Fine
SEK 1 – 50 million	SEK 20,000	1 – 10	SEK 20,000 – 200,000
SEK 50* – 200 million *SEK 50,000,001	SEK 25,000	1 – 10	SEK 20,000 – 250,000
SEK 200* – 500 million *SEK 200,000,001	SEK 30,000	1 – 10	SEK 30,000 – 300,000
SEK 500* – 1,000 million *SEK 500,000,001	SEK 50,000	1 – 10	SEK 50,000 – 500,000
SEK 1,000* – 5,000 million *SEK 1,000,000,001	SEK 75 000	1 – 10	SEK 75,000 – 750,000
SEK 5,000* million – *SEK 5,000,000,001	SEK 100 000	1 – 10	SEK 100,000 – 1,000,000

Market capitalisation of the Company will be recalculated from EUR to SEK

The market capitalisation of the Company is measured on the basis of its average market capitalisation the year previous (January to December) to when the breach was submitted to the Disciplinary Committee. The market capitalisation is measured based on the price at the end of each trading day. If the Company has been listed for less than twelve months, the Company's average market capitalisation will be measured on the basis of the months that the Company has been listed.