

To the Issuers and Certified Advisers at Nasdaq First North

Notification of changes to the rules of Nasdaq First North

Nasdaq Nordic (the “Exchange”) has decided to make amendments to the rules of Nasdaq First North (the “Rulebook”). The changes will enter into force on 1 January 2019.

The majority of the changes are clarifications of already existing rules and codification of established practice, as well as various structural updates throughout the Rulebook.

Background

The last years’ high IPO activity in the Nordic capital markets has raised the interest for Nasdaq First North internationally and has also naturally resulted in new practices and rule interpretations in relation to new situations. For these reasons, the Exchange has during 2018 conducted a comprehensive review of the Rulebook with the aim to enhance transparency and predictability in the Nasdaq First North admission process and admission requirements, while also ensuring and safeguard the high quality and integrity of Nasdaq First North.

The review has, among other things, included codification of established and communicated practice, additional guidance in relation to the Exchange’s interpretation of the admission and disclosure requirements, clarification of the Certified Adviser role, and other various clarifications and structural updates throughout the Rulebook, including the removal of several Appendices now provided electronically in the Nasdaq Listing Center.

The changes have been subject to extensive external consultations with members of local Nasdaq First North Advisory Boards, Certified Advisers and legal advisors.

Summary of changes

For each local Nasdaq First North market specific changes, please see the respective supplement.

Chapter 1

The Chapter has been restructured. Trading and membership related parts are removed as these are governed by the Nasdaq Nordic Member Rules in force from time to time. In order to align with the EU Market Abuse Regulation and the rules of the Exchange’s regulated markets, the obligation to comply with the Rulebook will apply from the time the Issuer applies for admission to trading.

Chapter 2

The Chapter has been subject to a number of clarifications and codifications of established practice

to increase transparency and predictability. More substantial amendments are described below.

Section 2.2 – New Section is added with a description of the admission process, including clarification of the minimum time normally required by the Exchange to review an application.

Current 2.2.2 – Removed and concentrated to Chapter 3.

Current 2.2.4 – Removed and replaced by the new 2.3.2, 2.3.3 and 2.3.4.

Current 2.3 – Removed and replaced by the new Section 2.2.

2.3.1(a) (current 2.2.1(a)) – The requirement on number of shareholders is clarified in accordance with established practice. Guidance text added to define “public hands”, similar to the guidance text in relevant parts of the rules of the Exchange’s regulated markets.

2.3.1(b) (current 2.2.1(b)) – The requirement on minimum share price of EUR 0.50 is removed.

2.3.1(d) (current 2.2.1(e)) – The exemption from the requirement on freely negotiable shares is removed.

2.3.2 – The requirement on the issuer’s business operations is clarified and codified in accordance with established practice and the interpretation of the current 2.2.4.

2.3.3 – The requirement on the issuer’s organization is clarified and codified in accordance with established practice and the interpretation of the current 2.2.4. As regards the composition of the Board of Directors and the management according to the first paragraph of the guidance text, already admitted issuers are subject to a transition period of 1.5 years as of 1 January 2019.

2.3.4 – The requirement on the issuer’s capacity for providing information to the market is clarified and codified in accordance with established practice and the interpretation of the current 2.2.4.

2.3.5 (current 2.2.3) – The requirement to engage a Certified Adviser is clarified to emphasize that this shall be done before the admission process is initiated.

2.5 (current 2.6) – The Exchange’s procedures in relation to observation status are clarified.

2.6 – A formal requirement on procedures in relation to substantial changes to the issuer’s operations is clarified and codified in accordance with established practice and the interpretation of the current 6.2.2(a) and (c).

Chapter 3

The Chapter has been subject to a number of clarifications and codifications of established practice to increase transparency and predictability. More substantial amendments are described below.

Section 3.2 – The requirements on the content of the Company Description are clarified and codified in accordance with established practice and the interpretation of the current Section 3.2.

Section 3.4 – The Section is updated and clarified in relation to situations where the Company Description includes an offer in connection to the admission to trading.

3.5(b) – A formal requirement that the prospectus, when used instead of a Company Description, may not be dated more than three months prior to the date of the Exchange’s approval of admission to trading is clarified and codified in accordance with established practice.

3.5(c) – The requirement on working capital statement in the prospectus, when used instead of a Company Description, is removed as it follows from applicable prospectus legislation.

Chapter 4

The Chapter has been subject to a number of clarifications and codifications of established practice to increase transparency and predictability. Where certain disclosure requirements exist in both the Rulebook and the rules of the Exchange’s regulated markets, these have been aligned and guidance text has been added. More substantial amendments are described below.

Section 4.1 (reference to the Rules of Exchange, Nasdaq First North Finland) – The current reference to Rules of the Exchange for Issuers on Nasdaq First North Finland is removed. Accordingly, the disclosure rules of the Rules of Exchange of Nasdaq Helsinki will not be applicable as per 1 January 2019. This will however not cause any changes regarding the current disclosure obligation of inside information and disclosure procedures for Nasdaq First North Finland issuers. The applicable legislation and rules on disclosure obligation of inside information and procedures are in the EU Market Abuse Regulation and its delegated acts, guidance by ESMA and the Finnish Financial Supervisory Authority and in Chapter 4 of the Rulebook.

Section 4.1 – The disclosure requirement on qualified auditors’ reports (current 4.2.8) is reworded and incorporated in the guidance text under Section 4.1 as an example of inside information. In addition, minor amendments are made to the guidance text on profit warnings to better reflect the legislative definition of inside information and relevant ESMA guidance.

4.2.1 – The methodology requirement on disclosures of non-inside information is clarified.

4.2.3 – The disclosure requirement on general meetings of shareholders is aligned with the equivalent requirement in the rules of the Exchange’s regulated markets and in accordance with established practice. Guidance text added to provide additional transparency and predictability.

4.2.4 – The disclosure requirement on changes in the Board of Directors, management, Certified Advisers, auditors, etc. is aligned with the equivalent requirement in the rules of the Exchange’s regulated markets and in accordance with established practice. Guidance text added to provide additional transparency and predictability.

4.2.5 – The disclosure requirement on share-based incentive programs is aligned with the equivalent requirement in the rules of the Exchange’s regulated markets and in accordance with established practice. Guidance text added to provide additional transparency and predictability.

4.2.6 – The disclosure requirement on issues of financial instruments is aligned with the equivalent requirement in the rules of the Exchange’s regulated markets and in accordance with established

practice. Guidance text added to provide additional transparency and predictability.

Current 4.2.8 – The disclosure requirement on qualified auditors' reports is removed, reworded and incorporated in the guidance text under Section 4.1.

4.2.8 – New disclosure requirement on information considered necessary to provide fair and orderly trading is added in accordance with the equivalent requirement in the rules of the Exchange's regulated markets and in accordance with established practice.

4.4 – The Section is updated and clarified in accordance with established practice.

4.5 – New requirement regarding company calendar is added.

4.6(c) (current 4.5(c)) – The requirement on the issuer's website is updated to also include company calendar and details about the Board of Directors and management.

4.8(b) – New requirement to provide the Exchange with all information and documentation required by the Exchange for the monitoring of the issuer's compliance with the Rulebook and applicable legislation is added. This is in accordance with the Exchange's legislative obligations and mandate under the rules of the Exchange's regulated markets.

4.8(d) (current 4.7(d)) – The requirement on the issuer to immediately convey criticism by the auditors to the Certified Adviser and the Exchange is removed.

Chapter 5

The Chapter has been restructured to clarify the requirements on the Certified Adviser, the Designated Contact Persons, the Certified Adviser's role in the admission process, and the Certified Adviser's ongoing obligations in relation to, among other things, monitoring of issuers. More substantial amendments are described below.

Section 5.1 – The Section is updated and clarified in relation to the requirements on the Certified Adviser's financial resources, internal procedures and documentation in accordance with established practice. The Section is merged with relevant parts from the current Section 5.2.

Current Section 5.2 – Removed and to large extent replaced by the new Sections 5.1 and 5.2.

Section 5.2 – New Section with clarified requirements on the Certified Adviser's Designated Contact Persons. The content is to large extent extracted from the current 5.1(b) with some clarifications.

Section 5.3 – New Section with clarified requirements on the Certified Adviser's role in the admission process in accordance with established practice.

Section 5.4 – New Section with clarified requirements on the Certified Adviser's ongoing obligations in relation to, among other things, monitoring of issuers. The content is to a large extent extracted from the current Sections 5.1 and 5.2 with some clarifications.

Section 5.5 (current Section 5.3) – The Section is clarified such that the general rule is that the

Certified Adviser is not allowed to own shares or share-related financial instruments in an issuer for which it acts as Certified Adviser, other than in accordance with the exemptions under the same Section. The Section is also clarified such that a Designated Contact Person involved in the function as Certified Adviser for a specific issuer may engage in other advisory functions towards the same issuer only if such engagement does not risk a conflict of interest in relation to the engagement as Certified Adviser.

Current Chapter 6

The Chapter has been removed as trading and membership related rules are governed by the Nasdaq Nordic Member Rules in force from time to time.

Chapter 6 (current Chapter 7)

The Chapter has been subject to minor clarifications to increase transparency and predictability.

Chapter 7 (current Chapter 8)

No changes.

Supplement C – Finland

The introduction is updated and clarified with a requirement to adhere to the general provisions of the Finnish Securities Market Act (14.12.2012/746, as amended).

Section 3.4 – New rules are added to clarify the publication of the Company Description or prospectus.

Section 4.1 (reference to the Rules of Exchange, Nasdaq First North Finland) – The current reference to Rules of the Exchange for Issuers on Nasdaq First North Finland is removed. Accordingly, the disclosure rules of the Rules of Exchange of Nasdaq Helsinki will not be applicable as per 1 January 2019. This will however not cause any changes regarding the current disclosure obligation of inside information and disclosure procedures for Nasdaq First North Finland issuers. The applicable legislation and rules on disclosure obligation of inside information and procedures are in the EU Market Abuse Regulation and its delegated acts, guidance by ESMA and the Finnish Financial Supervisory Authority and in Chapter 4 of the Rulebook.

Section 4.3 – New rule is added to clarify the schedule for the disclosure of the annual financial report.

Section 6.1 and 6.2 – Rules are added on sanctions in situations where the issuer or the Certified Adviser is considered to damage public confidence in the Exchange, Nasdaq First North or the securities markets in general.

Section 6.3 – Clarifications are made in relation to the sanctioning procedure. In addition, a possibility for the Exchange to publish a non-public reprimand is added. Also, a reference to applicable Rules of the Disciplinary Committee is added for sake of clarity.

Supplement D – Denmark

2.2(c) – Information regarding the Exchange’s review process and minimum time normally required to review an application is clarified.

Chapter 3 – The requirements on the Company Description, when such includes an offer of shares, are clarified.

Appendices

Current Appendix A – Removed as the Certified Adviser application is submitted electronically in the Nasdaq Listing Center.

Current Appendix B – Removed as the application for admission to trading is submitted electronically in the Nasdaq Listing Center.

Current Appendix D – Removed as the marketplace notice is generated electronically in the Nasdaq Listing Center.

Appendix D (current Appendix G) – The Nasdaq First North disclaimer is updated to reflect the correct legal definition of Nasdaq First North.

Appendix E (current Appendix H) – The form is updated in accordance with the EU General Data Protection Regulation.

Current Appendix I – Removed as trading and membership related rules are governed by the Nasdaq Nordic Member Rules in force from time to time.

Appendix F (current Appendix J) – The Nasdaq First North Premier segment rules are updated to align with the changes made in, among other things, Chapter 2, 4 and 5.

The new Rulebook (Nasdaq First North Nordic – Rulebook 1 January 2019) and a track version with all changes are published on the Exchange’s website under:

<http://www.nasdaqomx.com/listing/europe/rulesregulations/>

Important information about future changes regarding working capital

As of 1 July 2019, the Exchange will introduce and clarify a formal Nasdaq First North admission requirement on working capital for at least 12 months at the time of admission to trading, if the issuer cannot demonstrate profitability. The requirement will only be applicable at the time of admission, and not as an ongoing admission requirement.

Please note that all established local practices in regard to working capital (or equivalent) requirements will continue to apply until 1 July 2019.

NASDAQ NORDIC
