
NORDIC SURVEILLANCE QUARTERLY REPORT

July-September 2015



The exchange rules as well as the methodology of the surveillance are in substance harmonized between the Nasdaq exchanges in the Nordic countries. Due to national regulations however, there might be differences. For the reader to be able to distinguish the differences, some of the articles will be marked with flags to highlight this circumstance. The “Exchange” refers to Nasdaq as relevant in each local jurisdiction.

NEW DIMENSIONS FOR INVESTOR RELATIONS

If the share of your company is actively traded and there is significant investor interest in your company there may be derivatives – options, futures, warrants etc. – traded based on your share. That is good news for your company! In a longer perspective, an active market for derivatives is positive for the liquidity in a share and it adds another dimension to the shares of a company as an investment vehicle. But it also presents additional challenges for IR.

Do you believe that the date of an annual general meeting is price sensitive information? Share prices do not typically react to such information until the ex-date (when the shares trade ex-dividend). Derivatives prices may, however, react immediately once information about an annual general meeting has been published. Derivatives contracts expire at a certain point in time and it can therefore have a significant impact whether a dividend falls within or outside of the duration of a contract.

Do you believe that any day of a month is just as good or bad for communication of the company's earnings? That may well be true with regards to the trading of the share – but derivatives trading is very much focused on certain dates, and is especially sensitive on the days when contracts expire.

An IR function that strives to truly serve the needs of market participants that engage in financial products other than shares should consider applying these simple standards, in addition to what follows from regulation:

- When deciding a date for an annual general meeting or otherwise determining a date for a dividend, a specific notice should be disseminated so that the information reaches all concerned parties at the same time.
- When considering changes to dividend payment policies, companies should give clear guidance to market participants well in advance of implementing changes. This is particularly important for companies that consider changing the number of annual dividend payment dates.
- When determining a date for release of earnings, expiry dates for derivatives should, if possible, be avoided. Please consult with trading professionals to identify such dates and to investigate the relevance of this aspect for the share of your company.

Nasdaq is dedicated to developing and supporting products tailored for the needs of different market participants and believes that creating a diverse set of investment opportunities will benefit the liquidity of the shares traded on our markets, for the long term benefit of the companies that choose to list on our markets. By considering the aspects above and being sensitive to the different needs for market information to different market participants, your company will continue to gain investor attraction!

INTRODUCTION OF VALIDATION CHECK FOR MARKET PRICE ORDERS IN AUCTIONS

Market Price Orders (a.k.a. Market Order, an order that should be executed at the best price available) can in some situations move the Equilibrium Price (EP) and hence the auction uncross price (opening/closing price) considerably. This may lead to unfavorable trades for the member and the need for the Exchange to force cancellation of trades.

Based on member request, Nasdaq Nordic and Nasdaq Baltic have decided to enhance the voluntary Pre Trade Risk Management functionality in the Exchange's trading system INET when it comes to the possibility for the member to validate the theoretical impact of Market Price Orders in auctions.

Functionality in brief

The service will be enhanced by introducing an optional Market Price Order validation check, applicable during the opening and closing auction.

The Market Price Order validation will assess the theoretical effect on the EP of any type of incoming Market Price Order entered during opening and closing auctions, and reject those Orders if they fail the validation.

The validation would consist of two separate checks, both assessing the theoretical outcome to the EP if the Order would enter the trading system, and reject the Market Price Order if the theoretical outcome exceeds pre-defined thresholds.

Read more: <http://www.nasdaqomx.com/transactions/technicalinformation/inet/enhancements>

STOCKHOLM

Issuer Surveillance

A complete description of disciplinary proceedings and market interventions conducted by the surveillance department in Stockholm is available in the Appendix.

Trading Surveillance

REFERRALS ON SUSPECTED MARKET ABUSE

During the third quarter twenty-three cases have been reported to the Swedish FSA in accordance with the Exchange's obligation to refer matters of suspected market abuse. Thirteen of these cases concerned suspected illegal insider trading and ten cases concerned suspected market manipulation.

HELSINKI

A complete description of disciplinary proceedings and market interventions conducted by the surveillance department in Helsinki is available in the Appendix.

Two cases of possible misuse of insider information and two cases of possible market manipulation were handed over to the Finnish FSA.

CHANGES TO OPENING AND CLOSING PROCEDURES FOR EQUITIES

Based on member consultation, Nasdaq Nordic and Nasdaq Baltics have decided to enhance the auction functionality of the Exchange's trading system INET.

Optimizing the level of transparency

The changes aim to make the auction model more effective and to follow client expectations on how an auction should be designed.

There are mainly three enhancements in the scope of changes:

1. Removal of individual Order transparency during the auction

By this change the current hybrid model where regular Orders are published individually, and some other Orders not (e.g. Auction and Market Price Orders), will be abandoned in favor of a fully non-transparent auction model during all auctions. Also, there will be no pre-trade transparency before the opening auction and after the closing one.

Note that the important Level 1 data will always be provided and will be enhanced during auctions (see section 2 below).

2. Level 1 data in real time

Level 1 data, including Equilibrium Price information, Volume Imbalance and Imbalance direction will be provided in real time instead of once per second as today. With this increased transparency market participants will be able to follow the developments of the auction more precisely.

Best Bid and Ask prices and respective quantities will be set to zero in case of crossed books.

Best Bid and Ask information will not include non-displayed (hidden) orders.

3. Introduction of a short randomization period in the opening auction, Intra-day auction and during auction extensions

Currently randomization is primarily used in the closing auction where 30 seconds uncross randomization, i.e. Order Books are closed and the closing price is set at a random time between 17:29:30 and 17:30:00. To further strengthen the confidence in the auctions an introduction of a short 5 seconds randomization period in all other auctions will be imposed.

The change means that the Order Books in the opening auction will open randomly between 09:00:00 and 09:00:05. I.e. one Order Book could open at 09:00:01, and a second Order book could open at 09:00:03.

The 5 second randomization will also apply to halt releases and volatility pauses.

Read more: <http://www.nasdaqomx.com/transactions/technicalinformation/inet/enhancements>

COPENHAGEN

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Trading Surveillance

REFERRALS ON SUSPECTED MARKET ABUSE

During the third quarter three cases have been reported to the Danish FSA in accordance with the Exchange's obligation to refer matters of suspected market abuse. Two of these cases concerned suspected insider trading and one case concerned suspected price manipulation.

DISCIPLINARY COMMITTEE – NASDAQ COPENHAGEN

Nasdaq Copenhagen has established an internal Disciplinary Committee. The Disciplinary Committee is an internal body, separated from the Copenhagen surveillance department.

The Committee will decide on suspected violations of the Nasdaq Copenhagen rules in cases where an issuer or a member is deemed to have violated the Exchange rules and where the issuer or member is likely to be sanctioned with a public reprimand.

Furthermore, the Disciplinary Committee can make decisions in cases of extensive and/or fundamental importance in accordance with the Exchange rules. Sanctions in such cases could be monetary fines, delisting or termination of membership.

Read more about the disciplinary procedures of Nasdaq Copenhagen:
<http://www.nasdaqomx.com/listing/europe/surveillance/copenhagen>

ICELAND

A complete description of disciplinary proceedings and market interventions conducted by the surveillance department in Iceland is available in the Appendix.

REFERRALS ON SUSPECTED MARKET ABUSE

Three cases were reported to the Icelandic FSA in accordance with the Exchange's obligation to refer matters of suspected market abuse. The cases involved possible market manipulation.

FIRST NORTH

A complete description of disciplinary proceedings and market interventions conducted on First North is available in the Appendix.

APPENDIX

REPRIMANDS AND SANCTIONS TOWARDS ISSUERS, MEMBERS AND CERTIFIED ADVISERS

ISSUER/MEMBER/CA	CATEGORY	MONTH	MARKET	MM or FN	REASON
Issuer	Non-public reprimand	September	Iceland	Main Market	The issuer did not publish its interim financial statement within the time limits stipulated in the rules.
Veðskuldabréfasjóðurinn Virðing	Disciplinary Committee Decision	September	Iceland	Main Market	Price sensitive information was neither included in issuer's prospectus nor was it published immediately after it's bonds were admitted to trading.
Issuer	Non-public reprimand	September	Stockholm	First North	The company did not include relevant contract terms in accordance with the rules when disclosing information about a significant contract.
Issuer	Non-public reprimand	September	Stockholm	First North	The company failed to disclose a notice to attend general meeting in accordance with the rules.
Issuer	Non-public reprimand	September	Stockholm	First North	The company did not include information about the counterparty in accordance with the rules when disclosing information about a contract.
Issuer	Non-public reprimand	August	Iceland	Main Market	Information about the results of a bond offering was made available to investors before it was disclosed to the market.
Issuer	Non-public reprimand	August	Stockholm	Main Market	A fixed income issuer provided erroneous information in a listing application and failed to assume responsibility for a situation occurred due to the error.
Issuer	Non-public reprimand	August	Stockholm	First North	The company did not disclose information about a directed share issue in accordance with the rules.
Medical Prognosis Institute	Public Reprimand	July	Copenhagen	First North	The company's management had provided the press with information without this information being disclosed to the market simultaneously
ChemoMetec	Public Reprimand	July	Copenhagen	Main Market	The company did not disclose the interim management statement for the third quarter of 2014/2015 as soon as possible after the approval

TRADING HALTS

COMPANY	DATE	MARKET	MM or FN	REASON
Aktiebolaget Fastator	2015-09-30	Stockholm	First North	Technical / administrative problems
Pilum	2015-09-11	Stockholm	First North	Halted in preparation for announcement of clarifying information
PA Resources AB	2015-09-09	Stockholm	Main Market	Halted in preparation for announcement of clarifying information
Pilum	2015-09-08	Stockholm	First North	Halted in preparation for announcement of clarifying information
Parken	2015-09-08	Copenhagen	Main Market	Awaiting trial
Allokton I	2015-09-04	Copenhagen	Main Market	Technical / administrative problems
Allokton II	2015-09-04	Copenhagen	Main Market	Technical / administrative problems
Turvatiimi Oyj	2015-09-01	Helsinki	Main Market	Part of delisting process
Vahto Group Oyj	2015-08-28	Helsinki	Main Market	Halted in preparations for announcement of clarifying information
25 diverse foreninger	2015-08-25	Copenhagen	Main Market	Technical / administrative problems
9 Spar Invest	2015-08-24	Copenhagen	Main Market	Technical / administrative problems

5 Lån & Spar	2015-08-24	Copenhagen	Main Market	Technical / administrative problems
3 Gudme Raaschou	2015-08-24	Copenhagen	Main Market	Technical / administrative problems
Pilum	2015-08-18	Stockholm	First North	Halted in order to ensure that all market participants had time to assimilate relevant information
75 Danske Invest	2015-08-12	Copenhagen	Main Market	Technical / administrative problems
Sandvik	2015-08-10	Stockholm	Main Market	Halted in preparation for announcement of clarifying information
Orexo	2015-08-04	Stockholm	Main Market	Halted in preparation for announcement of clarifying information
Anoto Group	2015-07-14	Stockholm	Main Market	The trading was halted due to suspected leakage of price sensitive information
2 Gudme Raashou	2015-07-08	Copenhagen	Main Market	Technical / administrative problems
73 Danske Invest	2015-07-01	Copenhagen	Main Market	Technical / administrative problems

OBSERVATION STATUS NORDICS

COMPANY	DATE	REASON	MARKET	MM or FN	END DATE	REASON FOR REMOVAL
Talentum Oyj	2015-09-29	Subject to a voluntary public exchange offer by Alma Media Oyj	Helsinki	Main Market		
Tribona AB	2015-09-18	Subject to a takeover offer	Stockholm	Main Market		
Pilum AB	2015-09-08	Due to uncertainty about the company's financial situation	Stockholm	First North		
Vaahito Group Oyj	2015-09-03	The company has initiated an extensive change in its business and organization	Helsinki	Main Market		
Hemtex AB	2015-08-25	Subject to a takeover offer	Stockholm	Main Market		
Nischer AB	2015-08-21	Due to extensive change in business or organization. Updated 2015-09-28 due the company had applied for delisting.	Stockholm	First North		
Stylepit	2015-08-19	Subject to a takeover offer	Copenhagen	Main Market		
Mols-Linien	2015-07-03	Subject to a takeover offer	Copenhagen	Main Market		
AB Geveko	2015-06-22	Situation closely related to a takeover offer	Stockholm	Main Market	2015-09-15	Delisted
SAV-Rahoitus Oyj	2015-06-02	Applied for delisting	Helsinki	First North		
Cassandra Oil AB	2015-05-27	Due to uncertainty about the company's financial situation	Stockholm	First North		
PartnerTech AB	2015-05-25	Subject to a takeover offer	Stockholm	Main Market	2015-07-17	Delisted
Aktiebolaget Fastator (previously Rehact AB)	2015-05-19	Subject to a reverse takeover	Stockholm	First North	2015-09-21	Reverse takeover was completed
Aerocrine AB	2015-05-15	Subject to a takeover offer	Stockholm	Main Market	2015-07-13	Delisted
Mavshack AB	2015-05-12	Due to uncertainty about the company's financial situation	Stockholm	First North	2015-09-15	No longer uncertainty about the company's financial situation
Oriflame Cosmetics S.A.	2015-05-08	Due to change of domicile	Stockholm	Main Market	2015-07-02	Change of domicile was completed
Travelmarket.com	2015-04-28	Applied for delisting	Copenhagen	First North		

Paradox Entertainment AB	2015-04-27	Due to extensive change in business or organization. Updated 2015-09-23 due to new details about the change in business.	Stockholm	First North		
Polyplank AB	2015-04-23	Due to uncertainty about the company's financial situation	Stockholm	First North		
Cortus Energy AB	2015-04-20	Due to uncertainty about the company's financial situation	Stockholm	First North	2015-08-05	No longer uncertainty about the company's financial situation
Petrogrand AB	2015-04-16	Due to substantial uncertainty regarding the company or the pricing of its financial instruments	Stockholm	First North		
Nordic Service Partners Holding AB	2015-04-16	Subject to a takeover offer	Stockholm	Main Market	2015-07-27	Takeover offer was withdraw
Mermaid	2015-04-13	Subject to a takeover offer	Copenhagen	First North		
Empire AB	2015-04-10	Due to uncertainty about the company's financial situation	Stockholm	First North	2015-08-03	No longer uncertainty about the company's financial situation
Transmode AB	2015-04-09	Subject to a takeover offer	Stockholm	Main Market	2015-08-27	Delisted
Rella Holding	2015-03-13	The company has announced that they expect to enter into voluntary liquidation	Copenhagen	Main Market		
Tecnotree Oyj	2015-03-05	Due to uncertainty about the company's financial situation.	Helsinki	Main Market		
Dome Energy AB	2015-02-25	The company has initiated an extensive change in its organization	Stockholm	First North		
Cencorp oyj	2015-02-19	Due to uncertainty about the company's financial situation	Helsinki	Main Market		
Turvatiimi Oyj	2015-02-13	Subject to a takeover offer	Helsinki	Main Market	2015-09-03	Delisted
Trainers' House Oyj	2014-12-12	Due to uncertainty about the company's financial situation.	Helsinki	Main Market		
Copenhagen Network A/S	2014-11-26	The company has signed a conditional agreement regarding the sale of all operational activities.	Copenhagen	Main Market		
Ríkisútvarpið ohf.	2014-10-02	Uncertainty concerning the issuer's financial position	Iceland	Main Market		
PA Resources AB	2014-09-18	Due to uncertainty about the company's financial situation	Stockholm	Main Market		
Auriga Industries A/S	2014-09-08	The company has announced that they expect to wind down activities.	Copenhagen	Main Market		
Østjydsk Bank A/S	2014-07-04	Due to uncertainty about the company's financial situation	Copenhagen	Main Market		

Fastilium Property Group AB (previously ChronTech Pharma AB)	2014-05-30	Due to uncertainty about the company's financial situation. Updated 2014-11-19 due to extensive change in business or organization. Updated 2015-09-09 due the company had applied for delisting.	Stockholm	First North		
Nunaminerals A/S	2014-04-01	Due to uncertainty about the company's financial situation	Copenhagen	Main Market		
TORM A/S	2014-03-10	Due to uncertainty about the company's financial situation	Copenhagen	Main Market	2015-07-24	The company has completed the restructuring
Viborg Håndbold Klub A/S	2014-02-28	Due to uncertainty about the company's financial situation	Copenhagen	Main Market		
Takoma Oyj	2013-12-09	Uncertainty concerning the company's financial situation	Helsinki	Main Market		
Talvivaara Oyj	2013-11-15	Uncertainty concerning the company's financial situation	Helsinki	Main Market		
Nordicom A/S	2013-08-14	Due to uncertainty about the company's financial situation	Copenhagen	Main Market		
Vestjysk Bank A/S	2013-03-01	Due to uncertainty about the company's financial situation	Copenhagen	Main Market		
Luxonen S.A	2013-02-21	In voluntary liquidation. Moved from Main Market to First North per 2013-07-05	Stockholm	First North		
Wifog Holding AB (previously ForestLight Entertainment AB)	2013-02-18	Due to uncertainty about the company's financial situation. Updated 2015-01-27 due to a reverse takeover	Stockholm	First North	2015-09-28	Reverse takeover was completed
Victoria Properties A/S	2013-01-11	The company plans to make an extensive change in its business	Copenhagen	Main Market		
Fljótsdalshérað	2012-03-26	Uncertainty concerning the issuer's financial position	Iceland	Main Market		
KIF Håndbold Elite A/S	2011-02-24	Applied for delisting	Copenhagen	First North		
HS Orka hf.	2010-09-02	Uncertainty concerning financial restructuring	Iceland	Main Market	2015-08-27	Issuer fulfills all loan covenants
Jeratún ehf.	2010-09-02	Uncertainty concerning the issuer's financial position	Iceland	Main Market		
Reykjanesbær	2010-09-01	Uncertainty concerning the issuer's financial position	Iceland	Main Market		
Reykjaneshöfn	2010-05-04	Uncertainty concerning the issuer's financial position	Iceland	Main Market		

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