Rules on Delisting of Shares at the Initiative of the Issuer

Applicable from 1 September 2025

Introduction

The Stock Market Self-Regulation Committee (ASK) is responsible for promoting generally accepted practice in the Swedish stock market. In these *Rules on Delisting of Shares at the Initiative of the Issuer,* (the delisting rules), the Committee describes what constitutes generally accepted practice in the Swedish stock market when a company intends to apply for delisting from a Swedish marketplace.

In addition to the provisions in the rules, the board of a listed company has a duty under company law to act in the interests of all shareholders. An application for delisting must therefore be preceded by careful consideration. A person who acquires shares in a listed company normally does so on the assumption that there is a functioning market for the company's shares until the listing requirements are no longer met. A decision to apply for delisting solely to satisfy the interests of certain shareholders, and which conflicts with the interests of other shareholders in the trading of the company's shares, may conflict with the board's obligations under company law and is therefore in such cases not compliant with generally accepted stock market practice.

I. General provisions

I.1 Scope of application of the rules

These delisting rules apply to Swedish companies whose shares are admitted to trading on a Swedish regulated market. They also apply to Swedish companies whose shares, upon application by the company, are traded on the Nasdaq First North Growth Market, Nordic SME or Spotlight Stock Market trading platforms.

Rules II.5 and III.1 also apply to foreign companies whose shares or depositary receipts are admitted to trading or are traded on a market referred to in the first paragraph of Rule I.1.

Commentary

This rule states that Swedish companies whose shares are admitted to trading on Swedish regulated markets and companies whose shares are traded on certain trading platforms are, upon application by the company, to comply with these delisting rules.

This rule means that Swedish companies whose shares are admitted to trading or traded abroad but not on a Swedish regulated market or any of the trading platforms named in this rule are not obliged to comply with the delisting rules. Furthermore, with the exception of Rules II.5 and III.1, the rules do not apply to foreign companies, even if their shares or depository receipts are admitted to trading on a Swedish regulated market or traded on one of the trading platforms named in this rule.

I.2 Interpretation and exemption

The delisting rules prescribe generally accepted practice in the Swedish stock market when a company intends to apply for delisting from a Swedish marketplace. The rules are to be interpreted in the light of their intent. This entails an obligation to respect not only the wording of the rules, but also their purpose.

The Swedish Securities Council, whose role is to promote generally accepted practice in the Swedish stock market, is responsible for issuing rulings on how the rules are to be interpreted and applied and how different parties should proceed in specific situations. The Council may also grant exemptions from the delisting rules. In all contacts with the Council, each party is responsible for providing full, correct and clear information on all relevant matters in order to provide a basis for the Board's assessment.

Commentary

The rules do not address all the issues that may arise in the context of a delisting decision. It is therefore of great importance that there is a body that can provide authoritative decisions on how the rules are to be interpreted and applied. The Swedish Securities Council has this task.

The rules are to be interpreted and applied in the light of their intent. Uncertainty regarding the meaning of a provision in a particular case is to be resolved by submitting a petition to the Swedish Securities Council. This also applies in the event of uncertainty regarding compliance with generally accepted practice prior to an application for delisting in accordance with Rules II.1 B), II.2 and II.5. In these cases, the nature of the assessments is such that a ruling by the Swedish Securities Council is normally to be sought, whereby the company is to provide the Swedish Securities Council with the marketplace's decision under Rule II.2, first paragraph, prior to a decision on an application for delisting in accordance with Rule II.2.

The company is obliged to provide the information requested by the Swedish Securities Council in its communication with the Council.

It is not possible in a general regulatory framework to take account of all the situations that may arise in practice, and it is therefore necessary to combine the rules with an exemption institution, which can grant exceptions to all or some of the rules. This is another of the tasks of the Swedish Securities Council.

As the delisting rules express generally accepted practice, the disciplinary committee of the marketplace where an issuer's shares are traded or have been admitted to trading may issue sanctions in accordance with the marketplace's rules in the event of violations of the delisting rules when the Swedish Securities Council has assessed whether a certain procedure is in accordance with the delisting rules,.

I.3 Definitions

For the purposes of these rules, the following terms have the following meanings.

A) Delisting – the removal of shares or depository receipts from trading on a Swedish regulated market or any of the Nasdaq First North Growth Market, Nordic SME or Spotlight Stock Market trading platforms.

B) Listed companies – the companies to which the delisting rules under Rule I.1 apply.

Commentary

This provision defines certain terms used in the delisting rules. In A), "delisting" is defined as the removal of shares from trading on a Swedish regulated market or the Nasdaq First North Growth Market, Nordic SME or Spotlight Stock Market Swedish trading platforms. B) defines "listed companies" with reference to Rule I.1, i.e. Swedish companies with shares admitted to trading on a Swedish regulated market, Swedish companies whose shares, upon application by the company, are traded on the Nasdaq First North Growth Market, Nordic SME or Spotlight Stock Market trading platforms, and foreign companies whose shares or depository receipts are listed on a Swedish market and which, as stated in Rule I.1, are to comply with Rules II.5 and III.1.

II. Generally accepted practice when applying for delisting

II.1 Application for delisting if the listing requirements are met

An application for delisting may be made in the following cases:

A) Where the shares in the company, prior to the delisting from the marketplace in question, have been admitted to listing on another marketplace referred to in Rule I.1 and are to commence trading on that marketplace in connection with the delisting.

B) If a decision by a shareholders' meeting of the company to authorise the application for delisting has the support of shareholders holding not less than nine-tenths of both the votes cast and the shares represented at the meeting. If a shareholder in the company who, together with related parties, controls three-tenths or more of the voting rights in the company, shareholders holding a majority of all other voting rights in the company must not have voted against the decision.

An application for delisting in accordance with condition A) may be submitted no earlier than two weeks after the market has been informed of the plan to delist. An application for delisting in accordance with condition B) may be submitted no earlier than three months after the market has been informed of the plan to delist.

Commentary

If the board of the company finds that an application to delist is consistent with the board's obligations under the Swedish Companies Act, the company may apply to the marketplace for delisting even if the listing requirements are met. However, the rule states that such an application may only be made A) if the shares in the company, prior to the last day of trading, are listed on another Swedish regulated market or trading platform in accordance with Rule I.1, or B) if the shareholders' meeting has approved the application for delisting, in which case the decision must be supported by shareholders representing at least nine-tenths of both the votes cast and the shares represented *at the shareholders' meeting*. If a shareholder in the company who, together with related parties, controls three-tenths or more of the voting rights in the company, shareholders holding a majority of all other votes *in the company* must not have voted against the decision. The purpose of this provision is to prevent the delisting decision from being completely dominated by a controlling shareholder. A related party under II.1 B) is a party covered by the definition in Chapter 3, section 5, items 1-4 of the Swedish Takeovers Act (2006:451).

The procedure described in II.1 B) is to apply, with appropriate adaptations, where the company's business undergoes a spin-off and the shares are distributed without being listed on one of the markets referred to in Rule I.1.

The procedure described in this paragraph does not mean that other rules or good practice that limit the company's ability to delist its shares can be disregarded by reference to the procedure specified in the paragraph, for example the Swedish Securities Council's statements on generally accepted practice regarding delisting in connection with public takeover bids.

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II.2 Application for delisting if listing requirements regarding adequate liquidity, dissemination or price formation are not met

Where the marketplace has indicated that the company does not fulfil the listing requirements in terms of adequate liquidity, number of qualified shareholders or price formation, an application for delisting may be made in cases other than those covered by Rule II.1

An application for delisting under the first paragraph of Rule II.2 may be made no earlier than three months after the market has been informed of the plan to delist.

It is not consistent with generally accepted stock market practice for a company to place itself in a situation whereby the listing requirements are not met in order to facilitate delisting.

Commentary
If the listing requirements regarding adequate liquidity, number of qualified shareholders or price formation are not met, generally accepted practice in the stock market does not require the company to take steps to rectify the situation, for example by engaging a liquidity provider. Similarly, if an application to delist is consistent with the board's obligations under the Companies Act, it is not contrary to generally accepted practice to apply for delisting, provided that the market has been informed of the delisting plans and shareholders have had a reasonable amount of time to dispose of their shares or otherwise act on the information.

It is not consistent with generally accepted practice for a company to deliberately place itself in a situation whereby the listing requirements other than those referred to in the first paragraph of this rule, are not met. This rule does not require the company to incur costs in order to fulfil the listing requirements.

II.3 Application for delisting in connection with compulsory redemption of shares

Where a company has been the subject of a takeover bid whereby the offeror acquires a holding of more than 90 per cent of the shares in the company and the offeror has announced that it will seek compulsory redemption of the remaining shares in the company, an application for delisting may also be made in cases other than those referred to in Rule II.1. This also applies if a shareholder has otherwise acquired more than 90 per cent of the shares in the company and announced that it will request compulsory redemption of the remaining shares in the company.

An application to delist in connection with a compulsory redemption that has not been preceded by a takeover bid may be made no earlier than two weeks after the market has been informed of the delisting plans.

Commentary
If the company has been the subject of a takeover bid whereby the offeror reaches the compulsory redemption threshold as stipulated in Chapter 22 of the Companies Act (2005:551) and the offeror has announced that it will call for compulsory redemption, generally accepted practice does not prevent the company from subsequently applying to delist its shares. No further consideration by the board is required. This also applies if a shareholder has otherwise reached the redemption threshold and has publicly announced that it will seek compulsory redemption. In the latter case, however, the application to delist may be made no earlier than two weeks after the market has been informed of the delisting plans.

II.4 Application for delisting of shares in connection with listing on a foreign stock exchange

If the purpose of the delisting is that the shares in the company are to be listed on a marketplace other than those referred to in Rule I.1 in connection with delisting from the current marketplace, a ruling by the Swedish Securities Council regarding whether the delisting is compliant with generally accepted practice is to be obtained before the delisting plans are announced.

Commentary
Whether delisting from a Swedish marketplace referred to in Rule I.1 as part of a change of listing to a foreign marketplace is compliant with generally accepted stock market practice depends on a number of factors, such as the company's ownership structure, the conditions for trading in the marketplace where the company intends to list its shares and whether the level of investor protection in the marketplace to which the change of listing is to take place is equivalent to the protection provided by the Swedish marketplace that the company is leaving. Compliance with generally accepted practice must therefore be determined on a case-by-case basis, and the company is therefore to obtain a ruling from the Swedish Securities Council regarding the compatibility of the delisting with generally accepted practice before the plan to

delist is announced and before the application for delisting is made. This also applies if the company is listed on both a Swedish and a foreign marketplace and the delisting in question concerns the Swedish listing.

II.5 Application for delisting of shares or depositary receipts in foreign companies

A foreign company whose shares or depositary receipts are listed on a market referred to in Rule I.1 may apply to delist provided that the delisting is compliant with the rules applicable in the country where the company is domiciled.

An application for delisting in accordance with the first paragraph of this rule may be made no earlier than three months after the market has been informed of the delisting plans.

Commentary
In the case of a delisting of shares in a foreign company, only Rules II.5 and III.1 of the delisting rules apply. These do not impose any requirements other than that the delisting must comply with the company law and other applicable rules of the country in which the company is domiciled and the requirements for provision of information. However, it is not consistent with generally accepted practice to abruptly and entirely deprive shareholders of the possibility to trade their shares in a marketplace. An application for delisting may therefore only be submitted three months after the market has been informed of the delisting plans. However, if the delisting takes place under the circumstances specified in Rule II.3, the time limit specified in the second paragraph of II.3 may be applied.

III. Information in connection with delisting

III.1 Information on a planned application for delisting

If a company decides to apply for delisting, the market is to be informed of the plan through a press release. The information is to be accurate, relevant and clear.

In cases other than those referred to in Rule II.3, the press release is to contain information about

- **the board's reasons and deliberations regarding the decision to apply for delisting,**
- **where applicable, that the decision is subject to the approval of the shareholders' meeting in accordance with Rule II.1 B), as well as the date on which the meeting will be held and the date on which notice of the meeting will be issued,**
- **the expected timetable for the delisting,**
- **any rulings from the Swedish Securities Council regarding the delisting.**

The information is to be submitted to the marketplace and the Swedish Securities Council at the same time as the press release is published.

Commentary
Several provisions in the delisting rules concern the disclosure of information. The first paragraph of this rule stipulates a general requirement is that such information must not be misleading or otherwise inaccurate. The information must be relevant to and focused on the decision or event giving rise to the announcement. The second paragraph specifies information that must always be included in the press release. This includes the reasons for the decision to apply for delisting, information on the considerations made by the board of directors in accordance with its obligations under the Companies Act and these delisting rules, and the expected timetable for the delisting, including when the application is expected to be made and the expected last day of trading. If the Swedish Securities Council has issued a ruling regarding the delisting, the company is to report this in the press release.

III.2 Information to the shareholders' meeting prior to a decision on application for delisting

If it is proposed that the shareholders' meeting approve an application for delisting in accordance with Rule II.1 B), or if the meeting is to approve an application for delisting for other reasons, the documentation submitted to the shareholders' meeting is to state the reasons for the delisting, the considerations made by the board of directors regarding the delisting and the expected timetable for the delisting. The documentation is also to include information on the applicable majority requirements for the decision and information on any rulings by the Swedish Securities Council regarding the delisting.

Commentary

Prior to a shareholders' meeting to authorise the company to apply for delisting, shareholders are to be provided with accurate, relevant and clear information regarding the decision. This information is to include the reasons for the delisting, the considerations made by the board and the expected timetable for the delisting, including when the company intends to submit the application and the expected last day of trading. The documentation is also to contain information on the requirements regarding majority for a decision in accordance with Rule II.1 B) of the delisting rules and on any rulings issued by the Swedish Securities Council regarding the proposed delisting.