

Dear CA client,

We have received requests suggesting that we should write about disciplinary committee cases. We think that's an excellent idea, and with that in mind, we will now take a closer look at a recent case. The case concerns a company that delayed the disclosure of inside information even though all three criteria for delaying such disclosures were not fulfilled.

The [disciplinary committee case](#) we will be reviewing concerns Doro AB and was published by Nasdaq AB on February 14th, 2025. The company is listed on Nasdaq Stockholm's main market. In this case, the fact that the company is on the main market rather than First North is irrelevant, as the MAR rules in question apply regardless of which list the company is listed on. We will now go through the sequence of events in the case and highlight the key takeaways for listed companies. Let's begin with the events in chronological order.

Events and Press Releases from the Company

On **June 14th, 2024**, Doro published a [MAR-regulated press release](#) announcing that the company was in the final stages of divesting its German subsidiary, IVS. The preliminary purchase price amounted to EUR 1.9 million, and completion was expected by the end of June 2024.

Doro AB streamlines DACH business structure with strategic divestment

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As previously communicated Doro has been in the process of restructuring its German business. Doro is now finalizing the divestment of its German subsidiary /distribution and fulfilment business, IVS Industrievertretung Schweiger GmbH ("IVS GmbH"), to its Irish distribution partner Fónua, through the parent company Corstrom Ltd.

Restructuring for Growth

This strategic move is part of Doro's ongoing efforts to streamline and enhance its operations in the DACH region. By spinning off the distribution and fulfilment business, Doro will be able to increase the focus on sales and marketing activities performed through its other German subsidiary, Doro Deutschland GmbH.

Partnership with Fónua

Fónua is Doro's leading distribution partner in Ireland. Fónua's expertise and established relationships with major mobile device manufacturers and operators will enhance IVS GmbH's capabilities in the German market.

The preliminary purchase price amounts to EUR 1.9 million and will be paid in cash. Closing is expected to take place end of June.

For more information, please contact:

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About Doro

Doro is a leading technology brand for seniors developing consumer products and services to support an active and independent life. Doro's technology enables generations to connect digitally – both while at home and when out and about. Doro is a Swedish company listed on Stockholm Nasdaq Stock Exchange. The company is headquartered in Malmö and has sales operations in more than 20 countries. In 2023, Doro had 118 employees and net sales amounted to SEK 973.6 million (EUR 85 million), making it the European market leader for senior specialised mobile phones. Read more about Doro on our website www.doro.com/

This information is information that Doro AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-06-14 14:35 CEST.

On **July 17th, 2024**, Doro published its [half-year report](#) for the first half of 2024. In the CEO's comments, the transaction was mentioned as follows. It is worth noting that the company did not indicate any particular uncertainty regarding the completion of the deal.

In the middle of June, we announced the signing of a Share Purchase Agreement for the divestment of our German subsidiary IVS. Once complete this will align our approach with our other regions and allow us to focus completely on driving sales and upon increasing our share of the German market.

So far, everything appears in order. However, on **August 23rd, 2024**, events unfolded that would have significant consequences. On that day, Doro's CEO was contacted by the buyer, Fónua/Corstrom Ltd ("Fónua"), who presented two proposals:

1. That the transaction be cancelled and that the Company cover Fónua's legal costs.
2. That Fónua would initiate legal proceedings on the grounds that it believed it had been misled regarding the sales potential of the IVS business.

The Company now faced significant uncertainty as to whether Fónua intended to withdraw from the transaction or sought to reopen negotiations regarding the conditions for completion. The Company assessed that the circumstances constituted inside information and decided to delay the disclosure of this information. Doro stated that, in the weeks following the contact on August 23rd, it would work to clarify Fónua's position through further discussions and negotiations. On September 25th, [Doro subsequently announced](#) that the transaction with Fónua had been terminated.

The Issuer Surveillance Department's view on the matter

Nasdaq's Issuer Surveillance Department agreed with the Company's assessment that there were **legitimate interests** for delaying the disclosure. However, the Issuer Surveillance Department also pointed out that the inside information arisen during the conversation with Fónua on August 23rd, 2024 **clearly differed materially** from the company's most recent disclosure regarding the transaction, dated July 17th, 2024 (see the screenshot above).

The Issuer Surveillance Department specifically referred [to ESMA's guidelines on MAR](#), which outline situations where delaying the disclosure of inside information is likely to mislead the public. This includes cases where the inside information materially deviates from previously published announcements. The exchange therefore concluded that the company did not meet the requirement under Article 17.4(b) of MAR, meaning that the company **was not entitled** to delay disclosure. According to the exchange, the company was instead obligated to disclose the information as soon as possible - which did not occur until the [announcement on September 25th, 2024](#), that the transaction had been terminated. By failing to disclose the information as soon as possible, the Issuer Surveillance Department concluded that the company had breached Article 17 of MAR and, consequently, section 3.1.1 of the Rulebook for issuers listed on Nasdaq Stockholm's main market.

The Issuer Surveillance Department then initiated a case with its disciplinary committee to investigate whether Doro had breached the exchange's rules and MAR.

The Disciplinary Committee's Decision

Nasdaq's Disciplinary Committee launched an investigation into the matter. The Committee noted that in Doro's half-year report on July 17th, the company stated it was in the final stages of the sale. Neither of the two press releases the company had issued on the matter (see previous pages) indicated any uncertainty regarding the completion of the transaction. Moreover, the company had not disclosed any conditions for completion or similar reservations. The Committee concluded that,

based on this, the market had legitimate grounds to assume that the sale would go through and that there were no uncertainties concerning its completion.

Therefore, when Fónua communicated its new position on the acquisition on August 23rd, 2024, that information clearly contradicted what the company had previously disclosed. In light of the company's earlier unqualified communication, the Committee found that the conditions for delayed disclosure under Article 17.4(b) of MAR were not met. In other words, the delayed disclosure meant that the market, due to the absence of information about the new circumstances, was misled into believing that the transaction was still likely to be completed, when this was no longer the case.

Conclusion and Key Takeaways

The main rule regarding inside information is that it must be disclosed as soon as possible. There is an option to delay disclosure, but only if **all three conditions set out in MAR** are met:

1. An immediate disclosure is likely to harm the company's legitimate interests.
2. A delay is not likely to mislead the public.
3. The information can be kept confidential.

In the Doro case, the condition that the public must not risk being misled was not fulfilled. It was not an easy situation for the Company, as significant uncertainty existed regarding the counterparty's actual intentions. However, given that the company's prior communication to the market did not indicate any uncertainty regarding the completion of the deal - and the fact that there was, in reality, significant uncertainty - the criteria for delaying disclosure of the inside information were simply not met. The company should therefore have disclosed the inside information regarding the status of the transaction on August 23rd.

The key takeaway is that when delaying the disclosure of inside information, you must ensure that **all three criteria are continuously being fulfilled**. If any of the criteria cease to be met, you must inform the market in accordance with the main rule – that is, as soon as possible.

Welcome to Our Webinar on 10 April

Finally, we'd like to highlight our upcoming webinar on April 10th, where we will take a deeper dive into the rules and current interpretations surrounding inside information. Our guest speaker, Jonas Myrdal, is one of Sweden's leading experts in the field. The invitation has been sent out via email, and further information is also available on our website: [👉 www.skmg.se/event](https://www.skmg.se/event)

If you have any thoughts or questions, do not hesitate to reach out to us.

Best regards,



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