

Prohibition Against Market Abuse

Market Abuse Regulation (EU) no 596/2014: An EU regulation designed to prevent and detect market abuse, market manipulation and insider dealing.

The Primary Rule: Do not distribute or take advantage of inside information in any way that could manipulate the price of Smart Wires' financial instruments (e.g. stock or SDRs).

- Smart Wires' directors, management employees and contractors must comply with the Market Abuse Regulation when handling inside information.
- Never disclose, trade or give tips based on information that can be classified as inside information as this is a criminal offence.
- Never act in a way that could manipulate the price of Smart Wires' financial instruments (e.g. by making trades between own accounts or spreading false or misleading (or true but not legally disclosable) information).
- If any uncertainties should arise whether information is considered inside information or an act is considered market manipulation, immediately contact the Legal Team.

What is inside information?

"Information of precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect of the prices of those financial instruments or on the price of related derivative financial instruments"

In other words, inside information is specific information that a reasonable investor would use to help make an investment decision.

Examples of inside information

- Significant purchase orders
- Submission of a tender offer for a significant project where the likelihood of a successful outcome is high
- Regulatory approval for a significant project
- Cooperation agreements
- Joint Ventures
- Capital raises
- Investment decision
- Merger or acquisition
- Credit or customer loss
- Initiation or settlement of legal dispute
- Major advancement or setback in product development or manufacturing
- Significant change in availability or price of materials or components

What to do when inside information arises

- **Public Disclosure:** Inside information must be made public by the issuer as soon as possible, regardless of the time of the day (whether during trading or not), unless a delayed disclosure is permitted.
- **Delayed disclosure:** A delayed disclosure is permitted if: a) immediate disclosure is likely to prejudice the legitimate interests of the issuer, b) delayed disclosure is not likely to mislead the public, and c) the issuer is able to ensure the confidentiality of the information. If inside information has been leaked before publication, the information must be published.

“Legitimate interest” means (1) open negotiation that would be jeopardized by the disclosure, (2) serious financial crisis that requires confidentiality to be resolved, (3) risk to IP rights.

“Mislead the public” means new information that conflicts with information already released or available to the market

- **How to delay disclosure:** (a) The Board documents how the requirements of a delayed disclosure are met and b) the Company opens an insider register with a record of employees and contractors having access the inside information at issue.
- **How to resolve a delayed disclosure:** (1) release the information to the market and (2) notify the Swedish Financial Supervisory Authority that the publication of the information has been delayed.

Insider registers

- **Created** Immediately when a decision is made to delay disclosure.
- **Measures you should take if you are entered in an insider registered:** Upon receiving a notification that you have been entered into an insider register, immediately respond to the notification acknowledging receipt and understanding of your obligations. You must keep all information related to the relevant project confidential (including internally). If, by mistake or otherwise, you disclose inside information to someone else, you must ensure that person is also entered into the insider register.

PDMR transactions and reporting

- **Who?** 1. Board members and other persons discharging managerial responsibilities ("PDMRs"), or 2. persons closely associated with a PDMR ("PCA"). You have been notified if you are a PDMR.
- **What?** PDMRs and PCAs must report to the Swedish Financial Supervisory Authority all transactions in Smart Wires financial instruments, including the exercise of options and the exchange of shares in Smart Wires Inc for shares in Smart Wires Technology Ltd. Only subsequent transactions once a total amount of EUR 5 000 has been reached within a calendar year need to be reported.
- **When?** The notification shall be made promptly and no later than **three business days** after the date of the transaction.
- **How?** Through the reporting portal of the Swedish Financial Supervisory Authority (<https://www.fi.se/en/reporting/reporting-portal/>).

Closed period prior to publication of financial reports

Smart Wires Personnel may not trade or conduct any other personal or third-party transactions (directly or indirectly) with the issuer's financial instruments during a 30-day period preceding the publication of a financial report.

Financial Crimes under the Market Abuse Regulation

INSIDER DEALING

- A criminal offence, penalized with imprisonment

FOUR types of insider dealing

1. Acquiring or disposing of financial instruments based on inside information
 2. Amending or cancelling orders based on this inside information
 3. Soliciting a third party to acquire or dispose of financial instruments based on this inside information
 4. Soliciting a third party to amend or cancel orders based on this inside information
- A **presumption** that a person that is in the possession of inside information and conducts trading has committed insider dealing

UNLAWFUL DISCLOSURE OF INSIDE INFORMATION

- A criminal offence, penalized with fine or imprisonment
- Where a person possesses inside information and discloses that information to any other person

Exceptions where the disclosure is made in the normal exercise professional duties e.g.

- Disclosure in relation to public takeovers
- Disclosure to advisors as a normal part of the performance of a person's service business or duties

MARKET MANIPULATION

- A criminal offence, penalized with imprisonment
- Deliberate attempts to interfere with the free and fair operation of the market and create artificial, false or misleading appearances with respect to the price of, or market for, a product, security, commodity or currency

A person shall be convicted of market manipulation who:

- executes a transaction, places an order, or otherwise acts in such a manner which gives false or misleading signals as to the price, supply of, or demand for, financial instruments or spot commodity contracts related to the instrument
- executes a transaction, places an order, or otherwise acts in such a manner which secures the price of one or several financial instruments or spot commodity contracts related to the instrument at an abnormal or artificial level
- executes a transaction, places an order, or otherwise acts in such a manner as affects the price of financial instruments or spot commodity contracts related to the instrument, by employing false pretenses or any other form of deception or contrivance
- disseminates information which gives false or misleading signals as to the price, demand for, or supply of financial instruments or spot commodity contracts related to the instrument, or which secures the price of one or several such instruments or spot commodity contracts at an abnormal or artificial level
- disseminates false or misleading information, provides false or misleading input values, or otherwise manipulates the calculation of a benchmark