

## **Decision of the Sanction Commission of BX Swiss AG**

pertaining to the violation of the ad hoc reporting obligation due to repeated failure of publishing decisions and measures in connection with the subscription of convertible loans.

Pursuant to Clause 17 of the Listing Rules, the Sanction Commission of BX Swiss AG publishes the sanction decision below against one of its companies with primary listing.

### **Background**

At the relevant date, the bearer shares of the company were listed on the BX. The company repeatedly failed to publish its decisions and measures in connection with the subscription of convertible loans.

Prior to the sanctionable incident, several irregularities in the company's accounting and financial reporting became known. In a letter in May 2015, the BX approved a request to postpone the annual financial statements due to the first-time consolidation according to Swiss GAAP FER. In the audit report for the financial year 2014, it was noted that the internal audit system did not meet the legal requirements and that the annual General Meeting could not take place within six months of the end of the financial year.

When the semi-annual report 2015 was published, the company announced that convertible loans had been issued in the first quarter of the financial year. At that point, no decisions to take out convertible loans nor their subscription had been published with an ad hoc notice. Because of dilution and for the assessment of the liquidity situation, changes in capital, liabilities to changes in capital and main financing are price-relevant information and must therefore be published immediately.

### **Decision of the Admission Office of BX Swiss**

In its assessment of the facts, the Sanction Commission of BX Swiss concluded that the present case constituted a severe violation of the rules and additionally also a violation of the Listing Rules. A reprimand and a fine of CHF 15.000 seemed appropriate. The defendant was ordered to bear the costs of the proceedings.

It was also threatened that a delisting would be considered if the Listing Rules would be violated again within 24 months.