

Still strong re-rating potential

In Q3, KTN's IoT activities revealed good momentum, which we expect to continue in Q4, not least because of the expected reduction of overdue shipments. Our DCF still indicates a price target of EUR 28, which translates into an upside of close to 100%. Also, alternative valuation metrics point at a substantial re-rating potential of the share. Our recommendation remains "buy".

The IoT business remains in good shape in Q3

It's difficult to draw definitive conclusions from Kontron's 9M numbers as KTN now reports the IT Service business, which is earmarked for sale, as discontinued operations. Notwithstanding, underlying momentum was good in Q3 as organic growth was at 11.1% and order intake at EUR 320m, which translates into a book-to-bill ratio of 1.2x. Especially the future core unit of KTN - IoT solutions Europe - remains in good shape and increased revenues by 17%. Segment margins were slightly up from 8.7% to 8.8%.

We expect a strong finish in 2022

We expect the company to make up for EUR 34m of EUR 124m in overdue shipments after Q3 2022, in line with KTN's respective announcements and therefore expect above average organic growth of 18% in Q4 and 14% yoy for the full fiscal year 2022. The negative portfolio effect in Q4 from winding down the Russian activities will be counterbalanced by positive currency effects resulting from the weak EUR, in our view.

The TP remains EUR 28

Our DCF still indicates a price target of EUR 28, which translates into an upside of close to 100%. This is confirmed by a SOTP approach, that indicates an even higher price target, as IoT peers trade on high multiples even in the current depressed market environment. Our "buy" case is also supported by the still significant discount of the share price to (1) past levels and (2) the TecDAX.

EURm	2020	2021	2022e	2023e	2024e
Revenues	1,255	1,342	1,527	1,768	1,974
EBITDA	130	126	153	177	207
EBIT	68	63	93	116	133
EPS	0.85	0.75	1.05	1.34	1.52
EPS adj	0.85	0.75	1.05	1.34	1.52
DPS	0.30	0.35	0.49	0.62	0.70
EV/EBITDA	9.5	7.5	6.2	5.6	4.8
EV/EBIT	18.0	15.2	10.1	8.5	7.5
P/E adj	22.6	19.5	14.2	11.1	9.9
P/B	3.09	2.23	2.05	1.84	1.66
ROE (%)	14.3	11.7	15.2	17.4	17.6
Div yield (%)	1.6	2.4	3.3	4.2	4.7
Net debt	(20)	14	(17)	27	34

Source: Pareto Securities

Target price (EUR)	28.0	▲	BUY
Share price (EUR)	15.0	—	HOLD
		▼	SELL

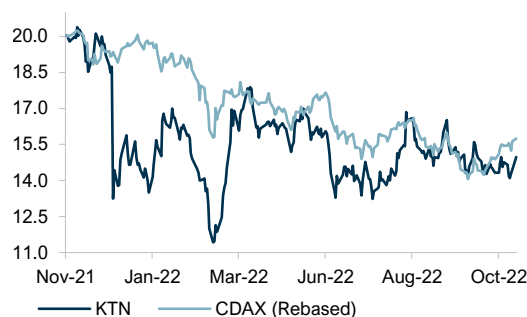
Forecast changes

%	2022e	2023e	2024e
Revenues	2	2	1
EBITDA	2	2	1
EBIT adj	3	2	2
EPS reported	3	2	2
EPS adj	3	2	2

Source: Pareto Securities

Ticker	KTN.DE, KTN GY
Sector	Hardware & Equipment
Shares fully diluted (m)	63.6
Market cap (EURm)	952
Net debt (EURm)	-17
Minority interests (EURm)	5
Enterprise value 22e (EURm)	940
Free float (%)	0

Performance



Source: FactSet

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Wrap up 9M results

Overview 9M

Kontron AG (EURm)	Actual		
	9M 2021	9M 2022	yoy (%)
Revenues	689	755	10
IT Services	173	161	-7
IoT Solutions Europe	538	628	17
IoT Solutions America	81	100	23
Internal revenues	-104	-134	29
Gross profit	255.8	272.9	7
<i>margin</i>	37.2%	36.1%	-101 bps
EBITDA	63.0	69.4	10
<i>margin</i>	9.2%	9.2%	4 bps
IT Services	15.1	13.3	-12
IoT Solutions Europe	46.6	55.8	20
IoT Solutions America	1.3	0.3	-77
Net Income	30.7	32.7	7
<i>margin</i>	4.5%	4.3%	-13 bps
EPS	0.48	0.51	7

Source: KTN, Pareto Securities

It's a bit difficult to draw definitive conclusions from Kontron's 9M numbers as KTN now reports the IT Service business, which is earmarked for sale, as discontinued operations. Consequently, a comparison with past numbers is only possible to a limited extent. Notwithstanding, our main insights are as follows:

1. Combined revenues from continued and discontinued operations were EUR 1,021m after nine months, which points at total Q3 revenues of EUR 359m. This is a little bit short of our expectation of EUR 367m. We assume that the main reason for that is that overdue orders were only slightly reduced from EUR 127m to EUR 124 in the quarter. We have expected a bit more tailwind from a higher reduction. Moreover, Kontron expects overdue orders to be reduced to only EUR 90m at year end (the target stood at EUR 50m after H1.)
2. Notwithstanding, underlying momentum was good in Q3 as organic growth was at 11.1% and order intake at EUR 320m, which translates into a book-to-bill ratio of 1.2x. Currencies contributed another EUR 10m.
3. The second KPI that can be reasonably compared to last year's numbers is net income, which was up 7%. Considering divestment-related expenses of EUR 2.4m, adjusted net income was EUR 35.1m, up 14% yoy.
4. The core unit of the future KTN - IoT solutions Europe – remains in good shape and increased revenues by 17%. Segment margins were slightly up from 8.7% to 8.8%.
5. In contrast, IoT Solutions America remained in crisis mode and contributed EBITDA of around nil.
6. IT Service revenues included in continuing operations was slightly down yoy. In contrast, revenues of the sold IT Service units were up from EUR 224m to 266m in the first nine months of the year (+19%).
7. In Q3, KTN incurred EUR 1.5m in losses from exiting Russia. EUR 11.2m of revenues were lost because of KTN's exit from Russia.
8. The antitrust approval and thus the closing of the sale of these IT Service activities is expected until the end of the year.
9. KTN re-iterated its guidance for the full year and expects revenues of EUR 1.1bn (EUR 1.5bn) and EBITDA of EUR 111m (EUR 150m) from continued (continued + discontinued) operations. Kontron continues to plan an increase in revenue to EUR 2bn with a significantly increased EBITDA margin of 13% by 2025.
10. Operating CF was burdened by EUR 74m outflow for increased inventories.
11. Given that KTN has classified net assets of 110m as held for sale, we basically expect a book gain of EUR 290m from the closing of project "Focus" for a price tag of around EUR 400m. But this topic seems to be more complex, and the final number may differ.
12. The tax rate should remain the same in the coming years.
13. Some lawyers are working already on the "gamechanger" transactions, for which KTN has earmarked around EUR 250m for both 2023 and 2024. It seems that mainly listed companies are in focus at the moment. KTN could also imagine buying "strategic" stakes in the first step.
14. KTN expects a contribution of EUR 4-6m EBITDA from special effects in Q4 which should allow the company to reach their full year targets.

Estimates update

As 1) the closing of the disposal of the IT Service business is still pending and 2) there is only basic financial information available on the new set-up at present (especially regarding the historic financials of the newly created segments and the impact of the transaction on the balance sheet, esp. the equity position), our company model is still based on the current structure of the company, i.e., we do not yet take the intended sale of the IT Service business into account and consequently neither the reinvestment of the respective proceeds into the IoT business. Notwithstanding, we are confident that the deal will eventually be approved by the antitrust authorities and closed afterwards.

We expect the company to make up for EUR 34m of EUR 124m overdue shipments after Q3 2022, in line with KTN's respective announcements and therefore expect above average organic growth of 18% in Q4 and 14% yoy for the full fiscal year 2022. The negative portfolio effect in Q4 from winding down the Russian activities will be counterbalanced by positive currency effects resulting from the weak EUR, in our view.

We don't expect meaningful contributions from acquisitions in the remainder of 2022 anymore. In 2023 and 2024, we still expect KTN to acquire revenues as high as EUR 150m and EUR 100m, respectively, on top of organic growth of 6% p.a. This is an acquisition volume we would expect even in the very unlikely scenario of a cancellation of project "Focus". Due to the expected dilutive effect of these potential acquisitions, we think the upside potential for the margin is limited and we expect the EBITDA margin to approach "only" 11% in the foreseeable future.

In total, we arrive at the P&L depicted below. We are fully in-line with the company guidance (and Factset consensus) for 2022 of EUR 1,500m (+11% yoy) at a 10% EBITDA margin (excluding acquisitions).

P&L

Profit & Loss	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e
Revenue	468	504	882	991	1,123	1,255	1,342	1,527	1,768	1,974	2,093
% of sales	21.4%	7.6%	75.1%	12.3%	13.3%	11.7%	6.9%	13.8%	15.8%	11.7%	6.0%
EBITDA	28	34	68	91	112	130	126	153	177	207	230
% of sales	6.1%	6.8%	7.7%	9.1%	9.9%	10.4%	9.4%	10.0%	10.0%	10.5%	11.0%
EBIT	21	24	42	62	62	69	63	101	116	133	148
% of sales	4.4%	4.8%	4.7%	6.2%	5.5%	5.5%	4.7%	6.6%	6.6%	6.7%	7.1%
Pretax Profit	18	20	35	56	54	61	54	90	105	121	137
% of sales	3.9%	4.0%	4.0%	5.7%	4.8%	4.8%	4.0%	5.9%	5.9%	6.1%	6.5%
Net Profit	16	15	23	45	49	56	48	74	86	96	109
% of sales	3.4%	2.9%	2.6%	4.5%	4.4%	4.4%	3.6%	4.9%	4.8%	4.9%	5.2%
EPS	0.36	0.33	0.43	0.70	0.74	0.85	0.75	1.16	1.35	1.52	1.71
% yoy	14.8%	-8.9%	30.8%	61.3%	6.4%	14.8%	-11.9%	54.6%	15.5%	12.7%	12.6%
DPS	0.08	0.10	0.13	0.16	0.00	0.30	0.35	0.54	0.63	0.70	0.79
Payout ratio	22%	30%	30%	23%	0%	35%	46%	46%	46%	46%	46%

Source: KTN, Pareto Securities

Please find below the resulting (minor) changes to our estimates.

Changes to our estimates

Kontron AG		2022e			2023e			2024e		
		Old	New	Delta	Old	New	Delta	Old	New	Delta
Revenues	EURm	1,502	1,527	2%	1,742	1,768	2%	1,946	1,974	1%
EBITDA	"	150	153	2%	174	177	2%	204	207	2%
EBIT	"	90	93	3%	114	116	2%	130	133	2%
Net result	"	65	67	3%	83	86	3%	94	96	3%
EPS	EUR	1.02	1.05	3%	1.31	1.34	3%	1.48	1.52	2%

Source: KTN, Pareto Securities

Valuation update

DCF

EUR m	Phase I					Phase II					Phase III
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	
Revenues	1,527	1,768	1,974	2,093	2,218	2,340	2,457	2,568	2,671	2,764	
<i>growth rate</i>	14%	16%	12%	6%	6%	6%	5%	5%	4%	4%	
EBITDA	153	177	207	230	244	257	270	282	294	304	
<i>EBITDA margin</i>	10.0%	10.0%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	
Depr. & Amort. (FA)	45	43	55	62	60	77	76	74	71	66	
<i>% of sales</i>	2.9%	2.4%	2.8%	3.0%	2.7%	3.3%	3.1%	2.9%	2.6%	2.4%	
Depr. & Amort. (RoU)	15	17	19	21	22	23	24	25	26	27	
<i>% of sales</i>	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
EBIT	101	116	133	148	163	157	170	183	197	211	
<i>EBIT margin</i>	6.6%	6.6%	6.7%	7.1%	7.3%	6.7%	6.9%	7.1%	7.4%	7.6%	
Tax	(17)	(21)	(27)	(30)	(33)	(31)	(34)	(37)	(39)	(42)	
<i>Tax rate</i>	17%	18%	20%	20%	20%	20%	20%	20%	20%	20%	
Capex	(38)	(44)	(49)	(52)	(55)	(59)	(61)	(64)	(67)	(69)	
<i>% of sales</i>	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Acquisitions (ex NWC)	0	(72)	(48)	0	0	0	0	0	0	0	
<i>% of sales</i>	0.0%	4.0%	2.4%	0.0%	0.0%	1.3%	1.9%	2.2%	2.3%	8.9%	
Change in WC & P	(21)	(27)	(23)	(13)	(14)	(15)	(16)	(16)	(17)	(17)	
<i>% of sales</i>	1.4%	1.5%	1.2%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	
Free Cash Flow	70	(4)	41	115	120	130	135	140	144	148	2,698
<i>growth rate</i>	nm	nm	nm	nm	5%	8%	4%	4%	3%	3%	3%
Present Value FCF	69	(4)	35	88	85	85	81	77	73	69	1,262

PV Phase I	273	Risk free rate	3.5%	Targ. equity ratio	94%
PV Phase II	386	Premium Equity	5.0%	Beta	1.1
PV Phase III	1,262	Premium Debt	2.5%	WACC	8.7%

	Enterprise value	Sensitivity	Growth in phase III				
			2.0%	2.5%	3.0%	3.5%	4.0%
- Net debt (cash)	14	7.8%	29.7	31.8	34.2	37.3	41.2
- Pension provisions	10	8.2%	27.3	29.1	31.1	33.6	36.7
- Minorities & Peripherals	5	WACC	29.7	26.7	28.4	30.5	32.9
- Leasing liabilities	62	9.1%	23.5	24.7	26.2	27.8	29.9
- Paid-out dividends for last FY	22	9.5%	21.9	23.0	24.2	25.6	27.3
+/- Other EV items	0						

Equity value	1,809
Number of shares (m)	63.6
Value per share (€)	28.0
Current Price (€)	14.5
Upside	94%

Source: Pareto Securities

Our DCF still indicates a price target of EUR 28, which translates into an upside of close to 100%. As the closing of project "Focus" is very likely, we double check our result by a SOTP approach, thereby considering the price tag of EUR 400m for project "Focus" as expected by KTN (see next page). The IoT business and the remaining IT Service activities are valued by using the average multiple of relevant peers. For the IT Service business, we employ a small discount to the average market multiple, as we believe the higher quality part of the segment has been bought by Vinci, indicated by a margin level above the segment average.

The EBITDA numbers for the segments have been estimated, as KTN has not guided how much EBITDA they expect from the outgoing and from the remaining IT Service activities in 2022.

As a result, we arrive at re-assuring EUR 33 per share, i.e. a clearly above our DCF-derived fair value, even in the current still depressed market situation. The recommendation thus remains "buy".

In 2023, a strong focus of investors will be on the announced "gamechanger" IoT deal(s), we believe, financed by the proceeds of the sale of "Focus".

Significant re-rating potential

Division	EBITDA 2022e (mEUR)	Peers	EV/ EBITDA x	EV (m EUR)
IT Service / Project Focus	~37	Target multiple	10.8x	400
Remaining IT Service Business	~11	IT Service peers	7.0x	77
IoT Business	~102	Advantech, Seco Spa	17.2x	1,754
Enterprise value				2,231
- Net debt (cash)				14
- Pension provisions				10
- Minorities & Peripherals				5
- Leasing liabilities				62
- Paid-out dividends for last FY				22
+/- Other EV items				0
Equity value				2,118
Number of shares (m)				63.6
Value per share (EUR)				33.3
Current Price (EUR)				14.5
Upside				130%

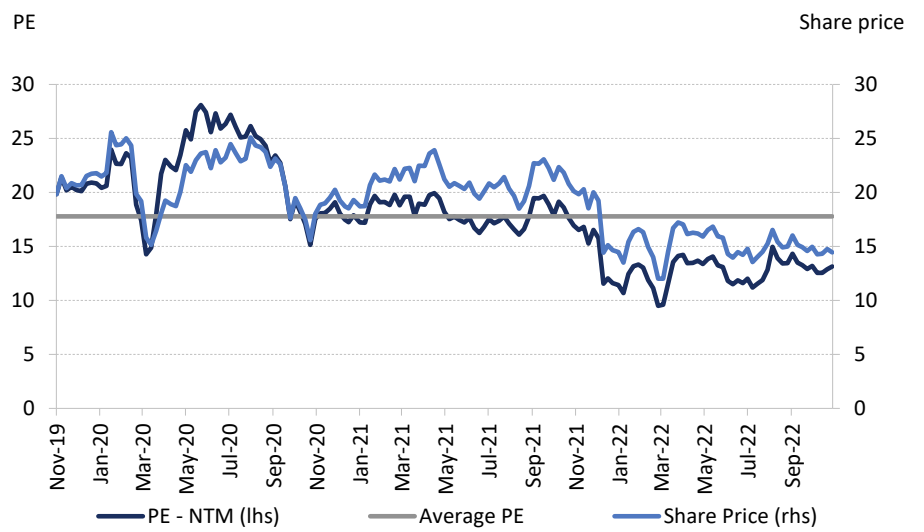
Source: Factset, Pareto Securities

Peer multiples

Company	Country	Share price (EUR)	MV (m EUR)	Beta	(P/E)		EV/EBITDA		EV/EBIT		DY FY1	EBITDA margin	EBITDA/ Assets	
					FY1	FY2	FY1	FY2	FY1	FY2				
IoT														
Advantech Co., Ltd.	TAIWAN	292	7,075	0.8	20.7	20.3	15.6	14.9	17.0	16.0	3.3%	0.6%	0.6%	
SECO S.p.A.	ITALY	6	683	0.9	38.7	25.6	19.2	14.1	27.6	18.7	0.0%	13.3%	3.7%	
Median IoT					0.8	29.7	23.0	17.4	14.5	22.3	17.4	1.7%	6.9%	2.1%
IT Service Germany														
adesso SE	GERMANY	103.4	673	1.1	18.9	15.8	9.2	8.0	15.5	13.4	0.7%	11.3%	12.7%	
All for One Group SE	GERMANY	38.8	193	0.6	18.1	12.8	5.2	4.4	14.2	10.2	4.0%	10.2%	14.3%	
Allgeier SE	GERMANY	29.5	337	1.1	17.9	12.9	7.8	6.3	12.5	9.5	1.8%	9.3%	7.7%	
Bechtle AG	GERMANY	35.3	4,450	1.0	17.4	16.4	10.5	9.9	13.5	12.7	1.7%	7.4%	12.7%	
CANCOM SE	GERMANY	26.4	932	1.1	18.5	16.3	5.8	5.3	9.1	8.1	3.6%	8.9%	8.3%	
Cenit AG	GERMANY	13.8	115	0.5	23.1	15.4	8.6	6.7	13.0	9.1	4.0%	6.8%	10.6%	
Datagroup SE	GERMANY	58.2	486	1.0	17.2	14.9	7.7	7.1	13.9	12.3	1.9%	14.2%	13.8%	
GFT Technologies SE	GERMANY	33.4	879	1.6	19.2	16.2	11.0	9.6	14.7	12.4	1.5%	9.5%	11.8%	
KPS AG	GERMANY	3.12	117	0.4	13.0	11.1	7.1	6.7	11.2	9.8	7.2%	13.6%	13.4%	
PSI Software AG	GERMANY	23.2	364	1.0	27.8	18.4	10.5	8.6	16.6	12.7	1.7%	11.2%	9.8%	
Median IT Service Germany					1.0	18.3	15.6	8.2	6.9	13.7	11.2	1.8%	9.9%	12.2%

Source: Factset, Pareto Securities

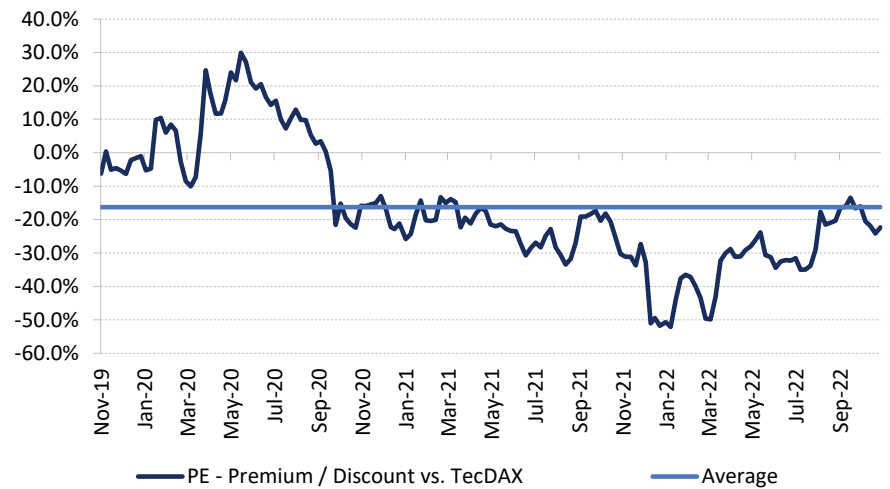
Historical PE (consensus-based)



Source: Factset, Pareto Securities

Our “buy” case is supported by the still significant discount of the share price to (1) past levels and (2) the TecDAX.

Premium vs. TecDAX



Source: Factset, Pareto Securities

PROFIT & LOSS (fiscal year) (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Revenues	882	991	1,123	1,255	1,342	1,527	1,768	1,974
EBITDA	68	91	112	130	126	153	177	207
Depreciation & amortisation	(26)	(29)	(50)	(62)	(64)	(60)	(61)	(75)
EBIT	42	62	62	68	63	93	116	133
Net interest	(6)	(5)	(8)	(8)	(8)	(11)	(11)	(11)
Other financial items	-	-	-	-	-	-	-	-
Profit before taxes	35	56	54	61	54	82	105	121
Taxes	(6)	(8)	(5)	(6)	(5)	(14)	(19)	(24)
Minority interest	(7)	(3)	(0)	1	(1)	(1)	(1)	(1)
Net profit	23	45	49	56	48	67	86	96
EPS reported	0.43	0.70	0.74	0.85	0.75	1.05	1.34	1.52
EPS adjusted	0.43	0.70	0.74	0.85	0.75	1.05	1.34	1.52
DPS	0.13	0.16	-	0.30	0.35	0.49	0.62	0.70
BALANCE SHEET (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Tangible non current assets	32	37	38	80	86	81	115	133
Other non-current assets	195	273	392	403	424	436	475	499
Other current assets	361	366	483	481	545	603	679	743
Cash & equivalents	217	172	312	282	297	328	284	276
Total assets	805	848	1,226	1,247	1,352	1,448	1,552	1,651
Total equity	332	367	385	409	423	469	524	581
Interest-bearing non-current debt	115	113	283	262	311	311	311	311
Interest-bearing current debt	-	-	-	-	-	-	-	-
Other Debt	356	366	549	565	608	659	707	749
Total liabilities & equity	805	848	1,226	1,247	1,352	1,448	1,552	1,651
CASH FLOW (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Cash earnings	46	48	82	112	84	113	130	152
Change in working capital	(1)	(12)	2	29	12	(21)	(27)	(23)
Cash flow from investments	(39)	(63)	(56)	(77)	(66)	(38)	(116)	(97)
Cash flow from financing	93	(21)	84	(66)	(20)	(22)	(31)	(40)
Net cash flow	91	(45)	141	(30)	15	32	(44)	(7)
VALUATION (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Share price (EUR end)	18.0	15.8	21.3	19.3	14.7	15.0	15.0	15.0
Number of shares end period	63	66	66	65	64	64	64	64
Net interest bearing debt	(102)	(58)	(30)	(20)	14	(17)	27	34
Enterprise value	1,066	998	1,385	1,232	951	940	985	993
EV/Sales	1.2	1.0	1.2	1.0	0.7	0.6	0.6	0.5
EV/EBITDA	15.7	11.0	12.4	9.5	7.5	6.2	5.6	4.8
EV/EBIT	25.5	16.2	22.4	18.0	15.2	10.1	8.5	7.5
P/E reported	41.5	22.6	28.6	22.6	19.5	14.2	11.1	9.9
P/E adjusted	41.5	22.6	28.6	22.6	19.5	14.2	11.1	9.9
P/B	3.7	2.9	3.8	3.1	2.2	2.1	1.8	1.7
FINANCIAL ANALYSIS	2017	2018	2019	2020	2021	2022e	2023e	2024e
ROE adjusted (%)	7.9	12.9	13.1	14.0	11.6	15.0	17.2	17.4
Dividend yield (%)	0.7	1.0	-	1.6	2.4	3.3	4.2	4.7
EBITDA margin (%)	7.7	9.1	9.9	10.4	9.4	10.0	10.0	10.5
EBIT margin (%)	4.7	6.2	5.5	5.4	4.7	6.1	6.6	6.7
NIBD/EBITDA	(1.50)	(0.64)	(0.26)	(0.16)	0.11	(0.11)	0.15	0.17
EBITDA/Net interest	10.72	17.56	14.54	16.89	15.02	13.70	16.13	18.48

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Appendix A

Disclosure requirements in accordance with Commission Delegated Regulation (EU) 2016/958 and the FINRA Rule 2241

The below list shows companies where Pareto Securities AS - together with affiliated companies and/or persons – owns a net long position of the shares exceeding 0,5 % of the total issued share capital in any company where a recommendation has been produced or distributed by Pareto Securities AS.

Companies	No. of shares	Holdings in %
Bonheur	239,445	0.56%
Huddly	1,070,395	0.51%
Pareto Bank	14,732,219	21.09%
Selvaag Bolig	4,361,772	4.65%
Sparebank 1 Nord-Norge	4,472,477	4.45%
Sparebank 1 SMN	2,348,960	1.81%
Sparebank 1 SR-Bank	2,375,835	0.93%
SpareBank 1 Østfold Åkerhus	1,233,804	9.96%
SpareBank 1 Østlandet	4,458,934	4.20%
Sparebanken Møre	566,833	1.15%
Sparebanken Sør	333,249	2.13%
Sparebanken Vest	7,279,243	6.78%
NEXT Biometrics	700,000	0.76%
SpareBank 1 Sørøst-Norge	2,553,659	4.05%

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Please find below an overview of material interests in shares held by employees in Pareto Securities AS, in companies where a recommendation has been produced or distributed by Pareto Securities AS. "By material interest" means holdings exceeding a value of NOK 50 000.

Company	Analyst holdings*	Total holdings
AAC Clyde Space	0	72,700
Adevinta	0	2,000
Aker ASA	500	2,329
Aker BP	0	13,315
Aker Horizons	0	170,761
AMSC ASA	0	4,890
Atlantic Sapphire	0	7,500
Austevoll Seafood	0	2,348
AutoStore	0	3,525
Avance Gas	0	4,280
Awilco LNG	0	30,000
Belships	0	40,000
Biolinvent	0	15,000
Bonheur	0	30,575
Borregaard ASA	0	515
Bouvet	0	980
BW Energy	0	81,325
BW Offshore	0	4,900
CloudBerry Clean Energy	0	100,000
Crayon	0	2,380
Desert Control	0	28,000
DNB	0	34,030
DNO	0	30,391
Elkem	0	65,376
Elmera Group ASA	0	29,405
Embracer Group	0	6,600
Equinor	0	1,616
Europris	0	17,208
Flex LNG	0	1,135
Frontline	0	17,100

Company	Analyst holdings*	Total holdings
Gaming Innovation Group	0	15,000
Gjensidige Forsikring	519	1,160
Grieg Seafood	0	14,374
Hafslund	0	126,000
Huddly	0	1,070,395
Hunter Group	0	53,996
HydrogenPro	0	34,922
International Petroleum Corp	0	5,511
Kitron	0	9,226
Komplett Bank	0	153,800
Kongsberg Gruppen	0	270
KWS	75	75
Lea bank	0	16,355
Lerøy Seafood Group	0	38,631
Media and Games Invest	0	5,000
Meltwater	0	24,000
Mowi	0	1,488
NEXT Biometrics	0	700,000
NORBIT ASA	0	3,656
Nordic Semiconductor	0	13,019
Norco	0	500
Norsk Hydro	0	83,711
Norske Skog	0	79,949
Northern Drilling Ltd.	0	188,000
Odjell Drilling	0	30,381
Orkla	0	11,016
Panoro Energy	0	12,733
Pareto Bank	0	761,873
Petro-Tal	0	74,000
Pexip Holding	0	430,795
Protector Forsikring	0	10,300
Pyrum Innovations	0	100
Quantum	0	17,665
REC Silicon	0	31,990
Sandnes Sparebank	0	2,500
Sandvik	0	1,000
Scatec	0	30,129
Sadrii Ltd	0	7,850
SignUp Software	0	1,264
Sparebank 1 Nord-Norge	0	5,000
Sparebank 1 SMN	0	10,164
Sparebank 1 SR-Bank	0	7,445
Sparebanken Møre	0	1,080
Sparebanken Sør	0	15,940
Sparebanken Vest	0	3,294
Stolt-Nielsen	0	2,233
Storbrand	100	1,750
Storlytel	0	4,390
Subsea 7	0	24,640
Telenor	0	1,954
TGS	0	600
TORM	0	2,500
Transeocean	0	13,000
Valaris	0	2,000
Vestas Wind Systems	0	1,235
Vow	0	3,281
Vår Energi	0	95,937
Yara	0	15,914
Zaptec	0	14,010

This overview is updated monthly (last updated 17.10.2022).

*Analyst holdings refer to positions held by the Pareto Securities AS analyst covering the company.

Appendix B

Disclosure requirements in accordance with Article 6(1)(c)(iii) of Commission Delegated Regulation (EU) 2016/958

Overview over issuers of financial instruments where Pareto Securities AS have prepared or distributed investment recommendation, where Pareto Securities AS have been lead manager/co-lead manager or have rendered publicly known not immaterial investment banking services over the previous 12 months:

Add Energy	Swedencare
Aker ASA	TEMP TON GmbH
Aker Clean Hydrogen	Tier Klinik Hofheim GbR
Aker Offshore Wind	Tise AS
Akershus Energi Varme AS	Trander energi AS
Alva Industries AS	Vestby Logistik Holding
American Shipping Company	Viking Venture 27 AS
Aprilia Bank ASA	Vår Energi
B2 Holding AS	Waldorf Production UK Ltd
Bekko og Strøm AS, SV Vattenkraft AB	Waste Plastic Upcycling
Biolnvent	Wattif EV
Biomega Group AS	wheel.me
BoREAL Holding AS	Ymber AS
Bor Drilling	Ørn Softwar
Brooge Petroleum and Gas	
BW LPG	
BW Offshore	
Cabonline Group Holding AB	
Cavai AS	
Cloudberry Clean Energy	
DNO	
Dolphin Drilling	
ELOP	
Enapter AG	
Ensorge Micropower	
Esmailzadeh Holding	
First Camp Group AB	
Flex LNG	
Global Agrarjes (Fertiberia group)	
Galat LNG	
GramCar Carriers	
Green Transition Holding	
Greenood	
Hafslund Eco	
HMH Holding	
Hospitality Invest	
House of Control	
Ice Group	
Idavang A/S	
InoBat Auto	
International Petroleum Corporation	
Island Green Power Ltd	
Kalera	
Kebony	
KMC Properties	
Kruse Smith	
Kvitbjørn Energi AS	
Magnora	
Memmo Family	
Mime Petroleum	
Modex AS	
Multitude SE	
Navicos Maritime Holdings	
NorAm Drilling	
Nordic Halliburton	
Norske Skog	
Norwegian Block Exchange	
Odyssey Oceanwind	
Okeas AS	
Otell Corporation	
Pandion Energy	
Parito Bank	
PHM Group	
polight	
Polight ASA	
Pronofa AS	
Protector Forsikring	
Pryme	
Pyrum Innovations	
Qred Holding	
Quantafuel	
Saga Robotics	
Salmon Evolution	
Sartorius-Herbst	
Schletter International B.V	
Seagems Norway	
Shamaran Petroleum	
Slate European Holdings	

This overview is updated monthly (this overview is for the period 30.09.2021 – 31.10.2022).

Appendix C

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11 (4)

Distribution of recommendations

Recommendation	% distribution
Buy	78%
Hold	21%
Sell	1%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	88%
Hold	12%
Sell	0%

* Companies under coverage with which Pareto Securities Group has on-going or completed public services in the previous 12 months

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Linkfire		

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Borglanda Fastighets AB	Krona Public Real Estate AB	Preserium Property AB
Bosjö Fastigheter AB	Logistri Fastighets AB	

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Appendix E

Disclosure requirements in accordance with Article 6(1)(c)(i) of Commission Delegated Regulation (EU) 2016/958

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Daldrup & Söhne AG	MAX Automation SE	SHOP APOTHEKE EUROPE N.V.
DEMIRE AG	Merkur Privatbank AG	SMT Scharf AG
DF Deutsche Forfait AG	Meta Wolf AG	Stratec SE
epigenomics AG	MPLP SE	Surteco AG
Foris AG	MPC Container Ships ASA	Szyggy AG
GERRY WEBER International AG	Muehlhahn AG	TTL Beteiligungs- und Grundbesitz AG
Gesco AG	Mutar es SE & Co. KGaA	Uzin Utz SE
GFT Technologies SE	OVB Holding AG	VERIANOS SE
Gigaset AG	ProCredit Holding AG	Viscom AG
Heidelberg Pharma AG	Progress-Werk Oberkirch AG	windeln.de SE
INTERSHOP Communications AG	Pryme B.V.	WPU - Waste Plastic Upcycling AS

Appendix F

Disclosure requirements in accordance with Article 6(1)(c)(iv) of Commission Delegated Regulation (EU) 2016/958

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Biotech AG Pf.d.	Hypoport SE	Progress-Werk Oberkirch AG
Cliq Digital AG	INTERSHOP Communications AG	PSI AG
Daldrup & Söhne AG	Kontron AG	Sieglfried Holding AG
Dermapharma Holding SE	Leifheit AG	SMT Scharf AG
Enapter AG	Logwin AG	Surteco AG
epigenomics AG	MAX Automation SE	Szyggy AG
Express2on Biotech Holding AB	Merkur Privatbank AG	Viscom AG
GERRY WEBER International AG	MPLP SE	

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