

## Under attack from Viceroy Research

A short report on S&T was published yesterday by Viceroy Research. As a result, the S&T stock price has come under pressure. There are three main lines of allegation in the report, none of which we regard as overly worrisome. While we stick to our recommendation and price target (Buy / EUR 30) for the time being, we think it might be premature to rush into the share as long there is the risk of a 2<sup>nd</sup> round of allegations by Viceroy, which might again invoke some price volatility.

### Viceroy publishing a report on S&T

A short report on S&T was published yesterday by Viceroy Research. As a result, the S&T stock price has come under severe pressure. There are three main lines of allegation in the report: (1) S&T using “crappy” acquisitions to boost its valuation and its operating cash flow. (2) Some related party transactions might be inappropriate. (3) S&T does not account correctly for off-balance sheet entities.

### Most of what we have seen in the report does not appear worrisome

For the time being, we think none of the allegations is overly worrisome. We think the “roll-up” strategy of S&T constitutes a legitimate business strategy, which is well known and understood by the market. As a company outsider, we cannot judge the correctness of the related party transactions, but the price tags involved were small in the context of the S&T group, and the line of arguments presented by Viceroy does not prove at all that shareholders’ funds have been embezzled on purpose. The third allegation seems to arise from a simple misunderstanding on behalf of Viceroy.

### Conclusion

S&T has announced that it will analyze the allegations and publish a response in a few days. In addition to that, S&T will seek an external consultant to examine the allegations, as Grenke did when it was under attack from Viceroy. Regarding the intended sale of the IT Service business (large parts of which are located in Eastern Europe), the CFO commented that the report was of course “not supportive”. While we stick to our recommendation and price target (Buy / EUR 30), we think it might be premature to rush into the share as long there is the risk of a 2<sup>nd</sup> round of allegations by Viceroy, which might again invoke some price volatility.

EURm	2019	2020	2021e	2022e	2023e
Revenues	1,123	1,255	1,336	1,647	1,896
EBITDA	112	130	132	173	209
EBIT	62	68	69	108	128
EPS	0.74	0.85	0.87	1.27	1.50
EPS adj	0.74	0.85	0.87	1.27	1.50
DPS	-	0.30	0.30	0.44	0.53
EV/EBITDA	12.4	9.5	6.4	5.0	4.3
EV/EBIT	22.4	18.0	12.2	8.1	6.9
P/E adj	28.6	22.6	15.3	10.5	8.8
P/B	3.76	3.09	1.94	1.70	1.50
ROE (%)	13.5	14.3	13.3	17.3	18.1
Div yield (%)	-	1.6	2.3	3.4	4.0
Net debt	(30)	(20)	(16)	12	25

Source: Pareto Securities

Target price (EUR)	30.0	▲	BUY
Share price (EUR)	13.2	—	HOLD
		▼	SELL

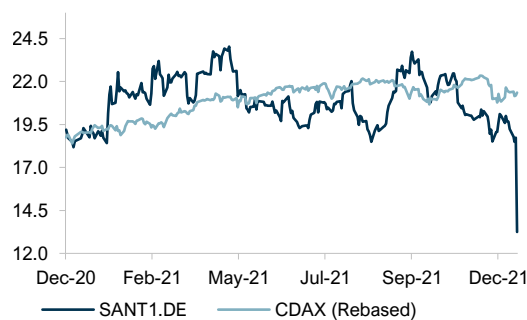
### Forecast changes

%	2021e	2022e	2023e
Revenues	-	-	-
EBITDA	-	-	-
EPS reported	-	-	-
EPS adj	-	-	-

Source: Pareto Securities

Ticker	SANT1.DE, SANT GY
Sector	Hardware & Equipment
Shares fully diluted (m)	64.6
Market cap (EURm)	856
Net debt (EURm)	-16
Minority interests (EURm)	5
Enterprise value 21e (EURm)	845
Free float (%)	68

### Performance



Source: FactSet

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## What's in the report?

A short report on S&T (SANT-DE) was published yesterday by Viceroy Research. The stock has come under severe pressure. After looking through the report, our conclusions are as follows:

There are three main lines of allegation in the report.

### **First allegation: S&T using “crappy” acquisitions to boost its valuation and its operating cash flow**

The first one relates to the fact that SANT frequently acquires “bad” business cheaply, typically at multiples of 0.5x sales, and then profits from the fact that the capital market implicitly values these assets with the same multiple as the SANT share (~1x sales before today's report) after the closing. Frequently, these targets face negative revenue growth in the years after acquisition. This is because these acquisitions are made in “fire-sale” environments because the acquired companies are facing problems like regulatory headwinds or the loss of major customers. Examples include Kapsch TrafficCom, that was said to be involved into a corruption scandal and therefore lost its only customer. Moreover, Viceroy reports on cases of tender manipulation, data leakages, the sale of surveillance solutions to state clients, and the revocation of licenses among the businesses that have been acquired by S&T subsequently.

Moreover, the report says that S&T very quickly monetizes the accounts receivables of acquired companies through factoring and thus “inflates” its operating cash flow as it leaves the accounts payables untouched.

#### Our first take:

Overall, we struggle to see a big problem here. The “roll-up” approach of SANT and its goal to squeeze working capital from its targets is well known and understood by the market, part of the investment case and, in my opinion, a legitimate strategy.

Of course, the quality of the targets is apparently poor on average, and these companies have in many cases been “cheap for a reason”, obviously. I guess not many investors knew about the precise nature of problems that the acquired targets faced. However, S&T pointed out that only some employees of the subsidiary bought in Romania faces an investigation by governmental authorities.

On the other hand, we think the research reports ignores the fact that the value of a “bad” business can increase under the roof of bigger organization as costs can be cut, overhead functions can be shared etc. In some areas, the author apparently remained at the surface with the analysis, as the report criticizes that revenue per employee have shrunk from EUR 231k to EUR 220k in 2020 within the S&T group – this is exactly what happens when you buy turnaround cases. Moreover, this is actually a good number for a company offering IT Service in nearshore locations: Well-respected IT Service company GFT Technologies for instance realized only EUR 73k per employee in 2020. Blue chip company SAP earned EUR 266k per employee in 2020, so we think Viceroy is misguided to say that it can't be a legitimate tech business if you earn “only” EUR 220k per employee annually.

### **Second allegation: Some related party transactions might be inappropriate**

Among others, Viceroy points to the acquisition of Xtro IT Solutions GmbH in 2020 for EUR 2.8m from two former Kontron employees (Kontron = core of today's SANT). Then both employees left the GmbH in 2015, bought Xtro.de from the GmbH, founded a Xtro AG, which was then bought again by SANT in 2017 for EUR 2.5m. Moreover, it mentions two further related party transactions, of which one led to a loss of EUR 229k for S&T (“Funworld”) and another involved the payment of EUR 1.5m to a former Kontron manager and shareholder of S&T for a company called “Roding Embedded”.

#### S&T comment and our first take:

S&T explained to us that the two Xtro transactions need to be seen in isolation. While Xtro IT Solutions GmbH was active in the field of IT security solutions, the Xtro AG was active in IT Service. Also, the asset bought from the former Kontron manager, which was said to have not been a related party of S&T at the time, is viewed as valuable. Overall, we believe that the price tags involved were small in the context of the S&T group, and the line of arguments presented by Viceroy does not prove at all that shareholders' funds have been embezzled on purpose.

**Third allegation: S&T does not account correctly for off balance-sheet entities**

Viceroy believes that some minority holdings, that do not appear in the FY report of SANT, have substantial business (>EUR 100m p.a.) in “high-risk” jurisdictions (e.g., Ukraine, China), selling military and surveillance technology to state customers. The allegation is that (1) either the profits from these transactions are withheld from SANT shareholders as SANT reports zero income from these participations or (2) or they are wrongly operating under the S&T logo. In detail, these entities are owned by a company named SandT holding incorporated in Cyprus, that is jointly owned by S&T and a company called Stotens Finance, which is controlled by a former S&T employee. Moreover, the entities in the SandT Holding were said to face criminal cases, too (circumvention of tender regulations, overcharging of projects). The relationship between S&T AG and SandT involves another potentially inappropriate third-party transaction as S&T sold S&T Mold srl to SandT in 2011 for EUR 320k and bought it back three years later for EUR 1,600k in 2014.

S&T comment and our first take:

This allegation seems to arise from a misunderstanding on behalf of Viceroy as the respective business units have already been sold in 2008, at the time granting the buyers the right to use the S&T trademark in these markets for a small fee, according to S&T. This practice will be terminated by S&T soon, too, we understand. Also, the participation in the SandT Holding will end soon, according to the CFO.

Conclusion

All in, the entire report from Viceroy comprises only 12 pages plus appendix and we are under the impression that it does not reach the quality and depth of the report in other cases, e.g. Grenke. The allegations seem to mix up facts and practices which look dubious at first glance with business practices, that might not be to the liking of every investor, but are legitimate. In any case, these accusations are in no way comparable to the Wirecard fraud, where entire business areas simply did obviously not exist.

S&T has published a statement in the meantime, saying that it is currently “in the process of analyzing the report in detail” which will take some time, as “some of the allegations concern old events from the time before the current management of S&T AG and have no connection with either the current management or S&T AG itself”. In addition to that, S&T will seek an external consultant to examine the allegations.

Moreover, it confirmed the current guidance for the financial year 2021 and said that “with the exception of S&T Romania, where there are investigations against several market participants for alleged price fixing in award procedures, no legal proceedings have been initiated against any company of the S&T Group by the competent authorities.”

Regarding the intended sale of the IT Service business (large parts of which are located in Eastern Europe), the CFO commented that the report was of course “not supportive”. Nonetheless, the Eastern European activities and related legal risk would have in the focus of a buyer’s DD anyway, so the report has probably not that much of an impact.

For the time being, we see no reason to change our recommendation or price target (buy / EUR 30). Notwithstanding, we believe that it might be risky to build up sizeable new positions immediately as Viceroy is known for frequently presenting a 2<sup>nd</sup> round of allegations, after the company’s rebuttal has been published, which might again invoke some price volatility. Hannes Niederhauser bought 10k of S&T shares in the afternoon of December the 16<sup>th</sup>, though.

At a glance

Business Units	IT Services	IoT Solutions Europe	IoT Solutions America	
Products/ applications	IT services to a broad range of enterprises. Managed services. Operates according to the Plan - Build - Run Principle. Plans to reduce share of hardware business.	Solutions in the areas of IoT and Industry 4.0, combining hardware, middleware and services. Markets served are in Europe and Asia.	Embedded hardware and software solutions focussing on aviation, transport and communication.	
Customers	Small and mid-sized enterprises in DACH and Eastern European region	Industrial applications such as industrial automation, medical technologies, infotainment, energy industry, and public transportation. Core is the former Kontron business.	Communications and aviation customers	
Market share/ positioning	Below 1% in S&T's footprint	Below 1% in S&T's footprint	Only reasonable data from S&T's prospectus reveals market share for Advantech of 8%, Siemens 6% and ADLINK of 3% in the European Economic Area (EWR)	
Drivers	Outsourcing and cost cutting main drivers for GDP-like growth for S&T in IT Services.	Connectivity of devices and increased need for secure platforms in M2M, smart metering and other applications drive market growth and innovation in IoT.	System-on-a-chip, enhanced software solutions and niche but customized solutions in the automation, infotainment, medical and transportation segments.	
Main competitors	Bechtle, Cancom, HPE, IBM, Accenture, Adesso, Caggemini, Atos and other IT services companies	Check Point Software, Intel, FireEye, Imperva, Secunet, Compugroup, Vitec Software AB Smart Energy: Landis & Gyr, Schneider Electric, Siemens, Itron, IBM, Cisco, ABB	Advantech, ADLINK, Siemens, Beckhoff and Radisys	
Entry barriers/ competitive advantage	High personnel and R&D intensive business, especially in IT Services (personnel) and Embedded Systems (R&D/pre-financing). S&T has high economies of scale/scope once embedded products are developed and software products included. S&T has a low cost base (c. 50% of workforce is located in low cost Eastern European countries), highly outsourced production to Foxconn and Ennoconn in China and Canada respectively, a strong customer retention effort (e.g. trying to become single source supplier for automotive, industrial, aerospace and energy sector), only embedded and smart metering supplier and services provider with a strong Eastern European production footprint, strong IP portfolio.			
Strategy & Guidance	<b>Strategy:</b> (I) Support growth by frequent acquisitions, esp. turnarounds at low multiples. (II) Benefit from megatrends (increased device and machine connectivity, security/firewall requirements, outsourcing) (III) Increase the share of proprietary software in IoT solutions. (IV) Cross-selling. (V) Concentrate on embedded solutions (i.e. combine hard- and software.)		<b>Guidance (10/2021)</b> Revenues: EUR 1,330-1,400m PAsE EUR 1336m Consensus EUR 1367m y/y 11.6% 11.7% 8.9% EBITDA EUR 133-140m margin 10.0% 9.6% 9.9%	
2020	Sales (EURm) 1255 y/y	EBITDA (EURm) 130 Margin 10.4%	EBIT adj. (EURm) 69 Margin 5.5%	Sales 5Y hist. CAGR 22%
Sales & EBIT Split				
Shareholder structure & management	<b>CEO</b>  <b>Hannes Niederhauser</b> CEO (since 2011) • Hannes Niederhauser joined the company in 2011 as CEO. Following his studies in electrical engineering at the Graz University of Technology, the Austrian-born manager worked as a developer of microchips and in the embedded computer segment. Prior he has been the main shareholder and CEO of Kontron AG from 1999 to 2007, which became the world's largest provider in the field of embedded computing.	<b>CFO</b>  <b>Richard Neuwirth</b> CFO (since 2013) • Richard Neuwirth has degrees in jurisprudence and business administration. He began his career as a lawyer working for a Vienna-based firm. He joined S&T in 2006, and has held a variety of management positions at it, with these including managing director of S&T Bulgaria and country manager and sales director of S&T Austria. As of July 2013, Neuwirth became the company's CFO.	<b>Shareholder structure</b> 	
# of employees FY 2020	6,067			

<b>PROFIT &amp; LOSS (fiscal year) (EURm)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<b>Revenues</b>	<b>504</b>	<b>882</b>	<b>991</b>	<b>1,123</b>	<b>1,255</b>	<b>1,336</b>	<b>1,647</b>	<b>1,896</b>
<b>EBITDA</b>	<b>34</b>	<b>68</b>	<b>91</b>	<b>112</b>	<b>130</b>	<b>132</b>	<b>173</b>	<b>209</b>
Depreciation & amortisation	(10)	(26)	(29)	(50)	(61)	(63)	(65)	(81)
<b>EBIT</b>	<b>24</b>	<b>42</b>	<b>62</b>	<b>62</b>	<b>68</b>	<b>69</b>	<b>108</b>	<b>128</b>
Net interest	(4)	(6)	(5)	(8)	(8)	(10)	(9)	(9)
Other financial items	-	-	-	-	-	-	-	-
<b>Profit before taxes</b>	<b>20</b>	<b>35</b>	<b>56</b>	<b>54</b>	<b>61</b>	<b>60</b>	<b>99</b>	<b>118</b>
Taxes	0	(6)	(8)	(5)	(6)	(4)	(17)	(21)
Minority interest	(6)	(7)	(3)	(0)	1	-	-	-
<b>Net profit</b>	<b>15</b>	<b>23</b>	<b>45</b>	<b>49</b>	<b>56</b>	<b>56</b>	<b>82</b>	<b>97</b>
EPS reported	0.33	0.43	0.70	0.74	0.85	0.87	1.27	1.50
<b>EPS adjusted</b>	<b>0.31</b>	<b>0.43</b>	<b>0.70</b>	<b>0.74</b>	<b>0.85</b>	<b>0.87</b>	<b>1.27</b>	<b>1.50</b>
DPS	0.10	0.13	0.16	-	0.30	0.30	0.44	0.53
<b>BALANCE SHEET (EURm)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Tangible non current assets	28	32	37	38	80	73	107	137
Other non-current assets	184	195	273	392	403	432	470	508
Other current assets	331	361	366	483	481	513	546	575
Cash & equivalents	126	217	172	312	282	265	237	224
<b>Total assets</b>	<b>669</b>	<b>805</b>	<b>848</b>	<b>1,226</b>	<b>1,247</b>	<b>1,283</b>	<b>1,361</b>	<b>1,443</b>
Total equity	241	332	367	385	409	446	508	577
Interest-bearing non-current debt	94	115	113	283	262	249	249	249
Interest-bearing current debt	-	-	-	-	-	-	-	-
Other Debt	332	356	366	549	565	577	593	607
<b>Total liabilities &amp; equity</b>	<b>669</b>	<b>805</b>	<b>848</b>	<b>1,226</b>	<b>1,247</b>	<b>1,283</b>	<b>1,361</b>	<b>1,443</b>
<b>CASH FLOW (EURm)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Cash earnings	131	46	48	82	112	98	122	149
Change in working capital	(70)	(1)	(12)	2	29	(51)	(17)	(15)
Cash flow from investments	(74)	(39)	(63)	(56)	(77)	(32)	(113)	(119)
Cash flow from financing	72	93	(21)	84	(66)	(32)	(20)	(29)
Net cash flow	65	91	(45)	141	(30)	(16)	(28)	(14)
<b>VALUATION (EURm)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<b>Share price (EUR end)</b>	<b>8.7</b>	<b>18.0</b>	<b>15.8</b>	<b>21.3</b>	<b>19.3</b>	<b>13.2</b>	<b>13.2</b>	<b>13.2</b>
Number of shares end period	49	63	66	66	65	65	65	65
Net interest bearing debt	(32)	(102)	(58)	(30)	(20)	(16)	12	25
<b>Enterprise value</b>	<b>481</b>	<b>1,066</b>	<b>998</b>	<b>1,385</b>	<b>1,232</b>	<b>845</b>	<b>873</b>	<b>886</b>
EV/Sales	1.0	1.2	1.0	1.2	1.0	0.6	0.5	0.5
<b>EV/EBITDA</b>	<b>14.0</b>	<b>15.7</b>	<b>11.0</b>	<b>12.4</b>	<b>9.5</b>	<b>6.4</b>	<b>5.0</b>	<b>4.3</b>
EV/EBIT	19.9	25.5	16.2	22.4	18.0	12.2	8.1	6.9
P/E reported	26.3	41.5	22.6	28.6	22.6	15.3	10.5	8.8
<b>P/E adjusted</b>	<b>28.4</b>	<b>41.5</b>	<b>22.6</b>	<b>28.6</b>	<b>22.6</b>	<b>15.3</b>	<b>10.5</b>	<b>8.8</b>
P/B	2.8	3.7	2.9	3.8	3.1	1.9	1.7	1.5
<b>FINANCIAL ANALYSIS</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
ROE adjusted (%)	7.9	7.9	12.9	13.1	14.0	13.1	17.1	17.9
Dividend yield (%)	1.1	0.7	1.0	-	1.6	2.3	3.4	4.0
EBITDA margin (%)	6.8	7.7	9.1	9.9	10.4	9.9	10.5	11.0
EBIT margin (%)	4.8	4.7	6.2	5.5	5.4	5.2	6.5	6.7
NIBD/EBITDA	(0.93)	(1.50)	(0.64)	(0.26)	(0.16)	(0.12)	0.07	0.12
EBITDA/Net interest	8.28	10.72	17.56	14.54	16.89	13.76	18.91	22.48

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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	240,345	0.57%
Pareto Bank	15,311,880	21.92%
Selvaag Bolig	3,729,704	3.98%
Sparebank 1 Nord-Norge	4,287,282	4.27%
SpareBank 1 Ringerike Hadeland	100,000	0.64%
Sparebank 1 SMN	1,970,442	1.52%
Sparebank 1 SR-Bank	1,856,679	0.73%
SpareBank 1 Østfold Akerhus	1,232,229	9.95%
SpareBank 1 Østlandet	3,833,163	3.61%
Sparebanken Møre	305,239	3.09%
Sparebanken Sør	433,744	2.77%
Sparebanken Vest	6,861,616	6.39%
NEXT Biometrics	510,901	0.56%
SpareBank 1 Sørøst-Norge	1,771,308	2.81%

Pareto Securities AS may hold financial instruments in companies where a recommendation has been produced or distributed by Pareto Securities AS in connection with rendering investment services, including Market Making.

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
AF Gruppen	0	1,825
Aker ASA	500	3,075
Aker BP	0	17,942
Aker Carbon Capture	0	10,721
Aker Clean Hydrogen	0	133,500
Aker Horizons	0	125,848
Aker Offshore Wind	0	164,028
American Shipping Co.	0	13,300
Aprilia Bank ASA	0	22,675
Archer	0	30,170
ArcticZymes Technologies	0	684
Austevoll Seafood	0	3,600
AutoStore	0	1,685
B2Holding AS	0	13,940
Bonheur	0	32,075
Borregaard ASA	0	650
Bouvet	0	2,940
BRABank	0	31,499
BW Energy	0	56,765
BW Offshore	0	16,076
Circa Group	0	11,250
Cloudberry Clean Energy	0	100,000
DNB	0	48,639
DNO	0	151,978
Elkem	0	39,047
ELOP	0	130,000
Entra	0	9,806
Equinor	0	2,589
Europris	0	13,208
Fjordkraft Holding	0	21,317

Company	Analyst holdings*	Total holdings
Flex LNG	0	4,817
Frontline	0	79,748
Gjensidige Forsikring	0	7,734
Grieg Seafood	0	9,127
Hafslund	0	10,000
Huddly	0	908,173
HydrogenPro	0	37,552
Ice Fish Farm	0	2,000
Ice Group ASA	0	200,000
Kalera	0	26,752
Kitron	0	18,386
Komplett Bank	0	209,400
Kongsberg Gruppen	0	36,023
KWS	75	75
Larøy Seafood Group	0	39,328
Meltwater	0	24,000
MerCell	0	24,863
Mowi	0	486
MPC Container Ships	0	84,164
NEXT Biometrics	0	510,901
NORBIT ASA	0	1,656
Nordic Semiconductor	0	5,391
Norco	0	790
Norse Atlantic	0	25,000
Norsk Hydro	0	94,189
Norske Skog	0	98,499
Northern Drilling Ltd.	0	77,319
NTS	0	2,172
Ocean Yield	0	32,650
Okeanis Eco Tankers	0	2,000
Orkla	0	20,983
Panoro Energy	0	29,844
Pareto Bank	0	1,341,634
Petrol Holding	0	85,707
Protector Forsikring	0	14,000
Prisma	0	4,000
Quantafuel	0	5,797
REC Silicon	0	39,716
Salmor	0	2,799
Sandnes Sparebank	0	4,013
Scatec	0	30,412
Seaway 7	0	4,000
Sparebank 1 Nord-Norge	0	3,350
Sparebank 1 SMN	0	12,740
Sparebank 1 SR-Bank	0	15,170
SpareBank 1 Østfold Akerhus	0	1,252
SpareBank 1 Østlandet	0	9,621
Sparebanken Sør	0	16,435
Sparebanken Vest	0	16,735
Sparebanken Øst	0	1,500
Stolt-Nielsen	0	1,817
Storbrand	0	25,698
Subsea 7	0	12,493
Telenor	0	12,052
TGS-NOPEC	0	600
Vow	0	8,681
Wallenius Wilhelmsen	0	17,800
XXL	0	20,923
Yara	0	15,428
Zaptec	0	14,000

This overview is updated monthly (last updated 15.12.2021).

\*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:

24SevenOffice Scandinavia	Nordic Halibut
2G Energy	Norco
Advanzia Bank S.A.	Norlandia Health & Care Group AS
Aker ASA	Norse Atlantic
Aker Clean Hydrogen	Norse Skog
Aker Horizons	Norwegian Block Exchange
Akershus Energi	Panoro Energi
Arcane Crypto	PetroNor E&P
Arctic Fish	PetroTal
Arndals Fossekompagni	PHM Group
Attensi	Ping Petroleum UK Limited
Bar amundi Group Pte. Ltd.	potlight
Belships	Pronto AS
Biolnvent	Proximar Seafood
Biomega Group AS	Pryme
Bonheur	Pyrum Innovations
Boreal Holding AS	Saga Robotics
Bulk Infrastructure Holding	Salmon Evolution
BW Energy	Seafire AB
BW LPG	Seagems Norway
BW Offshore	Seajacks
Cavai AS	SFL Corporation Ltd
Centralnic Group PLC	SGL Transgroup International A/S
Circa Group	Shamaran Petroleum
Cloudberry Clean Energy	Sccar Point Energy
Dampkribsselskabet NORDEN A/S	Skitude
DLT	Smart Wirres Inc.
DNO	Strandline Resources Limited
Documaster AS	Talos Energy Inc
EcoOnline	TEMPTON GmbH
ELOP	Trander energi AS
Enapter AG	Vegfinans AS
Energian Israel Finance Ltd.	Vestby Logistikk Holding
Enviv AS (Bookis)	Viking ACO 1 AS, SPAC
Fertiberia S.A.R.L.	Vow
First Camp Group AB	Waldorf Production UK Ltd
FREYR Battery	Wheel.me
Funkwerk AG	Xeneta AS
Gjensidige Forsikring	ZTL Payment Solution AS
Global Agrajes (Fertiberia group)	Ørn Software
Golar LNG	
Golden Ocean Group	
Goliath Offshore	
Greenfood	
Grøntvedt AS	
Hagal AS	
Halodi Robotics AS	
Heimdall Power	
HKN Energy Ltd	
Hofseth BioCare	
Huddly	
Ice Group Scandinavia Holdings AS	
Immunopharma	
JP/Politikens Forlag	
Kalera	
Kabony	
Kentech Global Pte	
Keppel FELS Limited	
Kistos plc.	
KLP	
KMC Properties	
Komplett ASA	
Komplett Bank	
Kraft Bank	
Kruse Smith	
Lakers Holding AS	
Lerøy Seafood Group	
Lumarine AS	
Maha Energy	
Malorama Holding AS	
Mathesa Bostadsbolaget AB	
Mer cell	
Mime Petroleum	
Modex AS	
Mutar es SE & Co. KGaA	
Müller Medien GmbH (United Vertical Media GmbH)	
Navios Maritime Acquisitions	
Next Biometrics Group	

This overview is updated monthly (this overview is for the period 31.11.2020 – 31.11.2021).

## Appendix C

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

Distribution of recommendations	% distribution
Buy	71%
Hold	27%
Sell	3%

Distribution of recommendations (transactions*)	% distribution
Buy	89%
Hold	11%
Sell	0%

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

This overview is updated monthly (last updated 15.12.2021).

## Appendix D

This section applies to research reports prepared by Pareto Securities AB.

### Disclosure of positions in financial instruments

The beneficial holding of the Pareto Group is 1% or more of the total share capital of the following companies included in Pareto Securities AB's research coverage universe: None

The Pareto Group has material holdings of other financial instruments than shares issued by the following companies included in Pareto Securities AB's research coverage universe: None

### Disclosure of assignments and mandates

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

24SevenOffice Scandinavia AB	Hexatronic	Media & Games Invest plc.
AAC Clyde Space	Hexicon	Re:NewCell
Azelio	Josemaria Resources	Sedana Medical
Bionvent	Implantica	Studentbostäder i Norden
Biovica International	Isolof Medical AB	Surigical Science
Cibus Nordic Real Estate AB	Linkfire A/S	Swedencare AB
Climeon AB	LMK Group	Vicore Pharma
Egetis Therapeutics	Maha Energy	VNV Global
Green Landscaping Group AB		

Members of the Pareto Group provide market making or other liquidity providing services to the following companies included in Pareto Securities AB's research coverage universe:

Africa Energy Corp.	Media & Games Invest plc.	Shamaran Petroleum
ByggPartner i Dalarne Holding	Mentice AB	Surigical Science
Cibus Nordic Real Estate	Minesto	Tethys Oil
Isolof Medical	Sällängen Property Invest	Vostok Emerging Finance
Logistri Fastighets AB	SciBase Holding	
Magnolia Bostad	Sedana Medical	

Members of the Pareto Group have entered into agreements concerning the inclusion of the company in question in Pareto Securities AB's research coverage universe with the following companies: None

Member of the Pareto Group is providing Business Management services to the following companies:

Aarhus Residential's Denmark AB	Delarka	Logistri Fastighets AB
Backaheden Fastighets AB	Fleming Properties AB	Målaråsen AB
Bonåsudden Holding AB (publ)	Halmälätten Fastighets AB (publ)	One Publicus Fastighets AB
Borglunda Fastighets AB	Korsängen Fastighets AB (publ)	Origa Care AB (publ)
Bosjö Fastigheter AB	Krona Public Real Estate AB	Præservium Property AB

Members of the Pareto Group have entered into agreements concerning the inclusion of the company in question in Pareto Securities AB's research coverage universe with the following companies: None

This overview is updated monthly (last updated 15.12.2021).

## Appendix E

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

### Designated Sponsor

Pareto Securities acts as a designated sponsor for the following companies, including the provision of bid and ask offers. Therefore, we regularly possess shares of the company in our proprietary trading books. Pareto Securities receives a commission from the company for the

2G Energy *	Heidelberg Pharma *	OVB Holding AG
Biotech *	Inter shop Communications AG	Procredit Holding *
CORESTATE Capital Holding S.A.	Leifheit	PSI SOFTWARE AG *
Daldrup & Söhne	Logwin *	PWO *
Demire	Manz AG *	S&T AG *
EpiGenomics AG *	MAX Automation SE	SMT Scharf AG *
Gesco *	Merkur Bank	Surteco Group *
Ger ry Weber	MLP *	Szygy AG *
GFT Technologies *	mutar es	TAKKT AG
Gigaset *	Northern Data AG	Viscom *

\* The designated sponsor services include a contractually agreed provision of research services.

## Appendix F

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

### Sponsored Research

Pareto Securities has entered into an agreement with these companies about the preparation of research reports and – in return – receives compensation.

Adler Modemaerkte	Express2ion Biotechnologies	Mynaric
Baywa	Ger ry Weber	mutar es
BB Biotech	Hypoport AG	Northern Data AG
CLIQ Digital	Inter shop Communications AG	OHB SE
Daldrup & Söhne	Leifheit	OVB Holding AG
Dermaphar m Holding SE	MAX Automation SE	Sieglfried Holding AG
Enapter	Mer kur Bank	

This overview is updated monthly (last updated 16.12.2021).