

H1 preview

S&T will report Q2 numbers on 5th of August. After the company has already announced “good H1 numbers”, we don’t expect any unpleasant surprise. Also, the 2021 company guidance should be achievable, especially taking the strong order entry in the first six months of 2021 into account. Although we slightly cut our organic growth expectations for the next couple of years, the share remains relatively cheap on all metrics. We re-iterate our “buy” recommendation, price target EUR 30.

Good H1 numbers ahead

Q2 numbers are due on 5th of August. On 6th of July, S&T published a press release, which already pointed to “good H1 numbers” and a “strong order entry” that will again clearly surpass revenues in Q2. Against that backdrop, we anticipate organic growth to accelerate from c. 1% in Q1 to c. 5% y/y, not least because Q2 2020 was already significantly impacted by the pandemic. We expect again a significant portfolio effect of c. EUR 27m, which should make up for 10% growth y/y. Thirdly, we anticipate again a significant currency headwind in Q2 due to the y/y depreciation of the USD.

Finetuning our estimates

Following the disclosure of additional information through S&T as part of the transparency initiative, we finetuned our estimates for 2021 and the subsequent years. In detail, we underestimated the necessity for S&T to cut back business in newly acquired subsidiaries. As a result, we now forecast “only” 6% p.a. organic growth until 2025 (was 10% p.a. before). Notwithstanding, the 2021 company guidance looks credible to us. To reach the midterm guidance, S&T will need to accelerate M&A activities, in our view. Buy, PT EUR 30.

EURm	2019	2020	2021e	2022e	2023e
Revenues	1,123	1,255	1,464	1,702	1,904
EBITDA	112	130	148	179	209
EBIT	62	68	84	108	129
EPS	0.74	0.85	0.98	1.29	1.53
EPS adj	0.74	0.85	0.98	1.29	1.53
DPS	-	0.30	0.34	0.45	0.54
EV/EBITDA	12.4	9.5	9.0	7.5	6.4
EV/EBIT	22.4	18.0	15.9	12.4	10.4
P/E adj	28.6	22.6	21.3	16.1	13.6
P/B	3.76	3.09	3.00	2.64	2.32
ROE (%)	13.5	14.3	14.9	17.4	18.2
Div yield (%)	-	1.6	1.6	2.2	2.6
Net debt	(30)	(20)	(22)	(9)	(10)

Source: Pareto



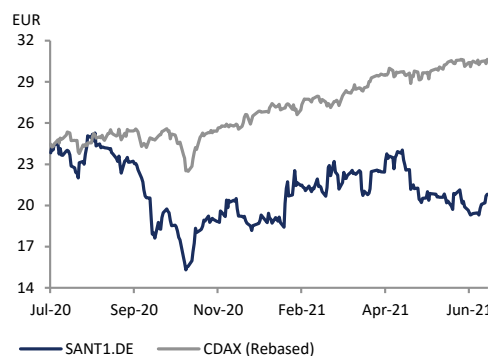
Target price (EUR)	30
Share price (EUR)	21

Forecast changes			
%	2021e	2022e	2023e
Revenues	(2)	(5)	NM
EBITDA	(2)	(5)	NM
EBIT adj	3	4	NM
EPS reported	6	7	NM
EPS adj	6	7	NM

Source: Pareto

Ticker	SANT1.DE, SANT GY
Sector	Hardware & Equipment
Shares fully diluted (m)	64.6
Market cap (EURm)	1,346
Net debt (EURm)	-22
Minority interests (EURm)	4
Enterprise value 21e (EURm)	1,328
Free float (%)	68

Performance



Source: Factset

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H1 outlook

Exhibit 1: Outlook Q2

S&T AG		Actual	Pareto	
		Q2 2020	Q2 2021e	yoy (%)
Revenues	EURm	269	302	12.2
Gross profit margin	"	103.8 38.6%	119.0 39.5%	14.7 83 bps
EBITDA margin	"	27.0 10.1%	30.3 10.1%	12.2 0 bps
EBIT margin	EURm %	13.1 4.9%	14.8 4.9%	13.0 3 bps

Source: S&T, Pareto Securities Research

Exhibit 2: Outlook H1

S&T AG		Actual	Pareto	
		H1 2020	H1 2021e	yoy (%)
Revenues	EURm	539	596	10.6
Gross profit margin	"	211.6 39.3%	235.1 39.5%	11.1 19 bps
EBITDA margin	"	52.0 9.7%	58.5 9.8%	12.5 17 bps
EBIT margin	EURm %	24.3 4.5%	27.5 4.6%	13.2 11 bps

Source: S&T, Pareto Securities Research

As a reminder, S&T published Q1 numbers that were to some degree influenced by the current chip shortage. Although reported group revenues were up 9% and EBITDA by 13%, this was to a large part due to portfolio effects (Iskratek and Citycomp). Organically, the revenues were up 1.3%. Moreover, S&T suffered from a currency headwind of EUR 6.5m.

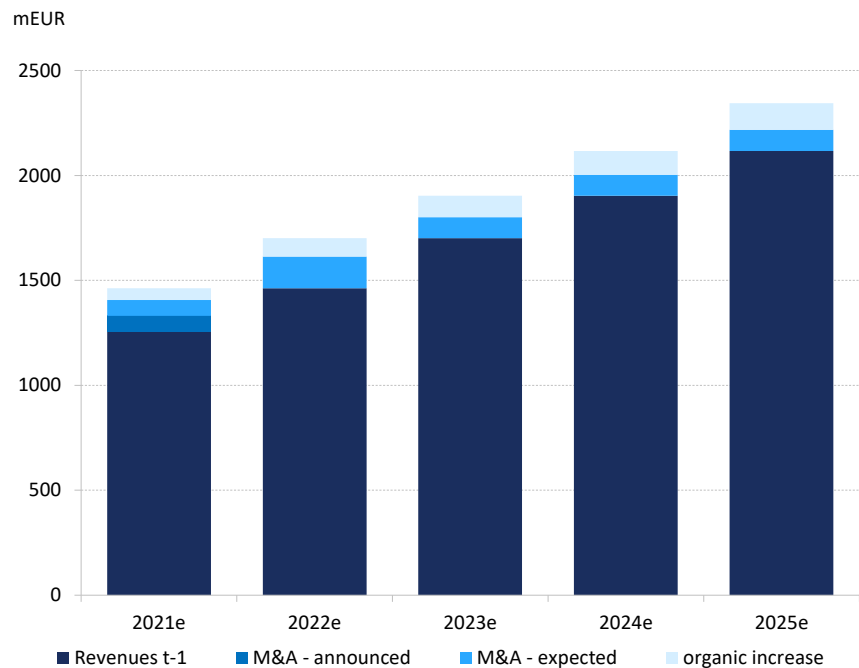
Q2 numbers are due on 5th of August. On 6th of July, S&T published a press release, which already pointed to "good H1 numbers" and a "strong order entry" that will again clearly surpass revenues in Q2. As a reminder, S&T has booked order worth EUR 404m in the first quarter, which compared with Q1 revenues of EUR 294m. Main drivers in the second quarter were said to be the public and the medical sector.

Against that backdrop, our expectations for Q2 are as follows: We expect again a significant portfolio effect of c. EUR 27m, which makes up for 10% growth y/y. We anticipate (FX-adjusted) organic growth to accelerate to 5%, not least because Q2 2020 was already significantly impacted by the pandemic. Thirdly, we expect again a significant currency headwind in Q2 due to the y/y depreciation of the USD, that stand for roughly one third of revenues and will cost S&T almost 3 percentage points top line growth in Q2, in our view.

Regarding earnings, we don't expect S&T to make substantial margin progress, mainly because of the newly consolidated business with below average profitability that should eat up potential efficiency gains realized in the existing business units.

Estimates update

Exhibit 3: A closer look at our revenue expectation



Source: Pareto Securities Research

After the disclosure of additional information through S&T, we finetuned our estimates for 2021 and the subsequent years. In detail, we underestimated the necessity for S&T to cut back business in newly acquired subsidiaries. Once these entities are consolidated, these restructuring measures typically weigh on organic growth rates in subsequent years. As a result, we forecast only 6% p.a. organic growth until 2025 (was 10% p.a. before). We continue to anticipate that S&T will acquire revenues of EUR 150m in 2022 and EUR 100m in the following years, but expect only EUR 75m to be consolidated from new deals in 2021, as S&T did not announce any substantial deal in H1. We however assume a portfolio effect of similar magnitude in 2021 resulting from transactions that have already been realized (Citycomp and Iskratel). For future acquisitions, we conservatively expect an acquisition multiple of 0.6x revenues, which is clearly above the 0.4x S&T targets in the M&A market at present. The composition of expected future revenues can be found in the graph above.

Exhibit 4: Changes to our estimates

S&T AG		2021e			2022e			2023e		
		Old	New	Delta	Old	New	Delta	Old	New	Delta
Revenues	EURm	1,530	1,463	-4%	1,833	1,701	-7%	2,117	1,903	-10%
EBITDA	"	155	148	-4%	192	179	-7%	233	209	-10%
EBIT	"	83	84	1%	106	108	3%	136	129	-5%
Net result	"	62	63	1%	81	83	3%	105	99	-5%
EPS	EUR	0.97	0.98	1%	1.25	1.29	3%	1.62	1.53	-5%

Source: Pareto Securities Research

The resulting changes to our estimates are summarized in the table above, the resulting full P&L in the table below. Although we cut back our expectations for revenues and EBITDA in the next years, we even expect higher EBIT as we have seen surprisingly low depreciation rates in Q1 that we extrapolate into 2021 and the subsequent years. With the updated figures, we are in-line with the company

guidance for 2021 (revenues at least EUR 1,400m, EBITDA at least EUR 140m) but slightly below the midterm guidance for 2023 (revenues of 2bn, EBITDA of 220m), but these figures are clearly dependent on future M&A activities.

Exhibit 5: Updated estimates

Profit & Loss	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Revenue	386	468	504	882	991	1,123	1,255	1,464	1,702	1,904	2,118
% yoy	14.1%	21.4%	7.6%	75.1%	12.3%	13.3%	11.7%	16.6%	16.2%	11.9%	11.3%
EBITDA	23	28	34	68	91	112	130	148	179	209	233
% of sales	5.9%	6.1%	6.8%	7.7%	9.1%	9.9%	9.6%	10.1%	10.5%	11.0%	11.0%
EBIT	17	21	24	42	62	62	69	84	108	129	143
% of sales	4.3%	4.4%	4.8%	4.7%	6.2%	5.5%	5.5%	5.7%	6.4%	6.8%	6.7%
Pretax Profit	15	18	20	35	56	54	61	74	99	120	133
% of sales	3.8%	3.9%	4.0%	4.0%	5.7%	4.8%	4.8%	5.1%	5.8%	6.3%	6.3%
Net Profit	13	16	15	23	45	49	56	63	83	99	108
% of sales	3.4%	3.4%	2.9%	2.6%	4.5%	4.4%	4.4%	4.3%	4.9%	5.2%	5.1%
EPS	0.32	0.36	0.33	0.43	0.70	0.74	0.86	0.98	1.29	1.53	1.67
% yoy	5.8%	14.8%	-8.9%	30.8%	61.3%	6.4%	15.0%	14.4%	31.7%	19.0%	8.6%
DPS	0.07	0.08	0.10	0.13	0.16	0.00	0.30	0.34	0.45	0.54	0.58
Payout ratio	22%	22%	30%	30%	23%	0%	35%	35%	35%	35%	35%

Source: Pareto Securities Research

Our estimates for the lines "below" EBITDA result from the assumption that ~30% of the future acquisition pay-outs will be booked as non-depreciable goodwill, in-line with the accounting treatment of some recent deals. As future acquisitions will occur with a high likelihood, but the details are of course unknown, these assumptions are arbitrary to some degree and readers should clearly concentrate on EBITDA as a yardstick for the future development of the company. Because of that, we are not surprised that there are significant discrepancies between some of our and consensus' estimates for all other P&L lines "below" revenues and EBITDA.

Exhibit 6: Pareto vs. consensus

	2021e			2022e			2023e		
	Pareto	Cons.	Delta	Pareto	Cons.	Delta	Pareto	Cons.	Delta
Revenues	1,463.7	1,436.7	1.9%	1,701.5	1,579.7	7.7%	1,903.6	1,703.6	11.7%
Gross profit	570.8	546.0	4.6%	680.6	604.3	12.6%	761.4	648.5	17.4%
EBITDA	147.8	146.4	0.9%	178.7	166.9	7.0%	209.4	185.6	12.8%
EBIT	83.8	89.9	-6.8%	108.4	108.1	0.3%	128.9	124.7	3.3%
Adj. EBIT	83.8	89.9	-6.8%	108.4	108.1	0.3%	128.9	124.7	3.3%
EBT	74.2	82.3	-9.9%	99.2	101.3	-2.0%	119.7	118.5	1.0%
Net result	63.3	68.2	-7.2%	83.3	85.6	-2.6%	99.1	99.4	-0.3%
EPS	0.98	1.08	-8.9%	1.29	1.31	-1.8%	1.53	1.51	1.6%
EPS adj.	0.98	1.09	-9.7%	1.29	1.35	-4.1%	1.53	1.55	-0.7%

Source: Factset, Pareto Securities Research

We note that consensus for revenues and EBITDA is in-line with the 2020 company guidance but still clearly below the aspired mid-term scenario for 2023 mentioned above.

Valuation update

Exhibit 7: DCF

EUR m	Phase I					Phase II					Phase III
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
Revenues	1,464	1,702	1,904	2,118	2,245	2,368	2,487	2,599	2,703	2,797	
<i>growth rate</i>	17%	16%	12%	11%	6%	5%	5%	4%	4%	4%	
EBITDA	148	179	209	233	247	261	274	286	297	308	
<i>EBITDA margin</i>	10.1%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	
Depr. & Amort. (FA)	42	45	52	59	65	78	77	75	71	67	
<i>% of sales</i>	2.9%	2.6%	2.7%	2.8%	2.9%	3.3%	3.1%	2.9%	2.6%	2.4%	
Depr. & Amort. (RoU)	22	26	29	32	34	36	37	39	41	42	
<i>% of sales</i>	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
EBIT	84	108	129	143	148	147	159	172	185	199	
<i>EBIT margin</i>	5.7%	6.4%	6.8%	6.7%	6.6%	6.2%	6.4%	6.6%	6.9%	7.1%	
Tax	(13)	(18)	(23)	(29)	(30)	(29)	(32)	(34)	(37)	(40)	
<i>Tax rate</i>	16%	17%	18%	20%	20%	20%	20%	20%	20%	20%	
Capex	(35)	(43)	(48)	(53)	(56)	(59)	(62)	(65)	(68)	(70)	
<i>% of sales</i>	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Acquisitions (ex NWC)	(27)	(48)	(48)	(48)	0	0	0	0	0	0	
<i>% of sales</i>	1.8%	2.8%	2.5%	2.3%	0.0%	1.3%	1.9%	2.2%	2.3%	8.5%	
Change in WC & P	(21)	(29)	(24)	(26)	(15)	(16)	(17)	(18)	(18)	(19)	
<i>% of sales</i>	1.5%	1.7%	1.3%	1.2%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	
Free Cash Flow	30	16	38	46	112	120	125	130	134	137	2,965
<i>growth rate</i>	nm	(46)%	nm	22%	nm	7%	4%	4%	3%	2%	3%
Present Value FCF	29	14	32	36	80	80	77	74	71	67	1,460

PV Phase I	190	Risk free rate	3.5%	Targ. equity ratio	86%
PV Phase II	370	Premium Equity	5.0%	Beta	1.0
PV Phase III	1,460	Premium Debt	0.5%	WACC	7.8%

Enterprise value		Sensitivity	Growth in phase III				
			2.0%	2.5%	3.0%	3.5%	4.0%
- Net debt (cash)	(20)						
- Pension provisions	10	7.0%	30.6	33.3	36.7	41.0	46.7
- Minorities & Peripherals	5	7.4%	28.1	30.3	33.0	36.4	40.9
- Leasing liabilities	69	WACC 7.8%	30.6	27.7	30.0	32.7	36.2
- Paid-out dividends for last FY	19	8.1%	23.9	25.5	27.4	29.7	32.5
+/- Other EV items	0	8.5%	22.2	23.6	25.2	27.1	29.4

Equity value	1,936
Number of shares (m)	64.6
Value per share (€)	30.0
Current Price (€)	20.2
Upside	49%

Source: Pareto Securities Research

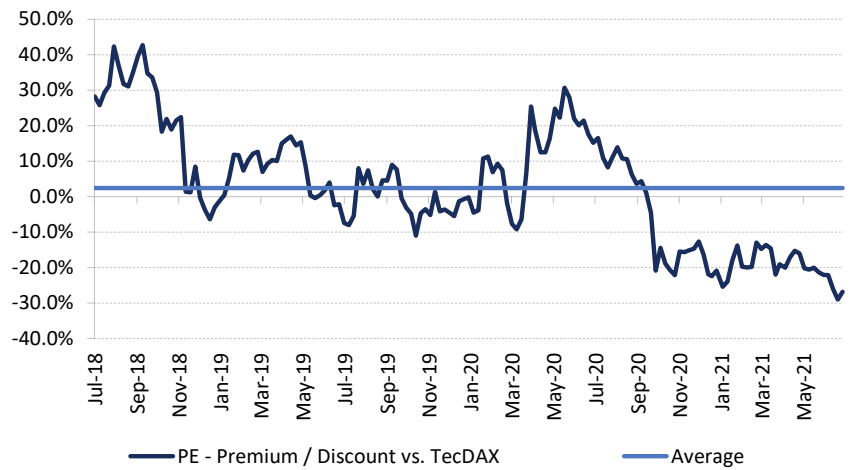
As the negative effect from our lower earnings forecasts for the next couple of years is fully compensated by the compounding effect in the DCF framework, the fair value remains unchanged at EUR 30 per share, which still translates into significant upside for the share price. Accordingly, our recommendation remains “buy”. Interestingly, 100% of the eight analysts that follow the stock have out a “buy” recommendation and the price targets are in a narrow range between EUR 27 and EUR 32. So, there is obviously a meaningful discrepancy in the perception of the investment case by sell-side analysts vs. investors.

Some additional remarks / observations:

- Since year end, S&T is almost fully equity financed, which weighs on fair value due to increased cost of capital. We expect this to change with coming acquisitions.
- Within our DCF model, we book the cash deployed for acquisition ex investments into working capital, which is included in the line “Change of WC & P”, though. We expect a net working capital intensity of 12% of revenues from 2021 onwards.

- We deduct the dividends for 2020 (EUR 0.30 per share) from the fair value, that have been paid in June.
- Only the depreciation of fixed assets is added back to FCF. Consistently, we only include expenditures for fixed assets but not for leased assets in capex. However, leasing obligations are treated in analogy to debt / pensions because the interest component is booked as part of the financial result.

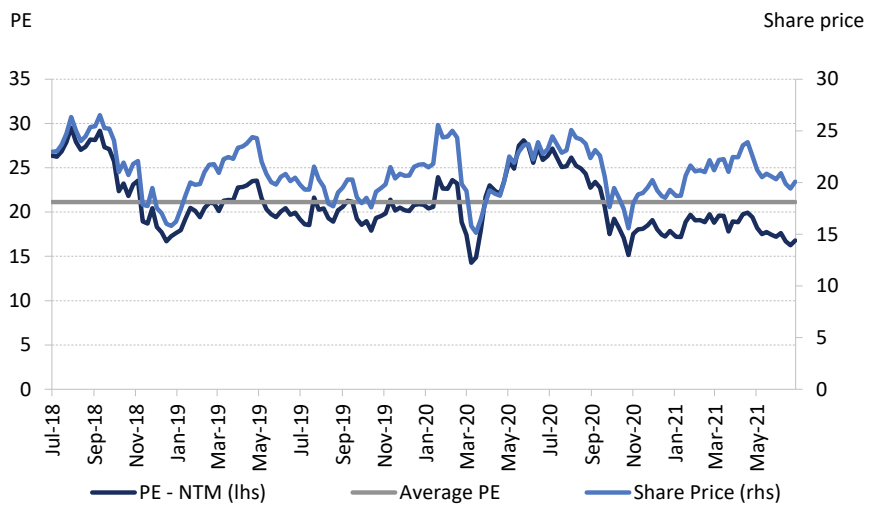
Exhibit 8: Premium / Discount vs. TecDAX



Source: Factset, Pareto Securities Research




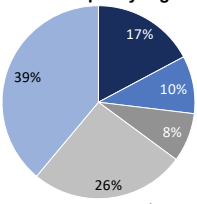
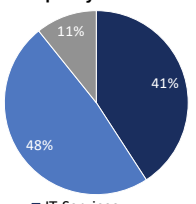
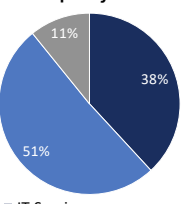
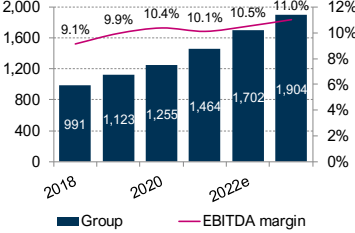


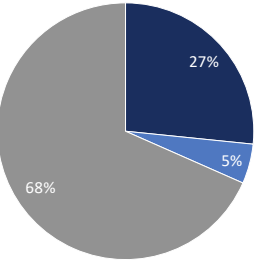
The share trades at a record discount to the TecDax index which compares with a valuation that was on average “in line” with the index in the past. The current consensus PE of 17x 12m forward earnings is also clearly below the historical average of 21x, which we interpret as additional support for our “buy” case.

Exhibit 9: Historical PE (consensus-based)



Source: Factset, Pareto Securities Research

Exhibit 10: 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 SANT's footprint	Below 1% in SANT's footprint	Only reasonable data from SANT'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 SANT 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). SANT has high economies of scale/scope once embedded products are developed and software products included. SANT 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	Strategy: (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.)		Guidance (06/2021) Revenues: > EUR 1,400m y/y: -4.4% EBITDA margin: at least EUR 140m 10.0%	PASe EUR 1464m -1.4% EUR 148m 9.6%	Consensus EUR 1437m 14.5% EUR 146m 10.2%		
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	Sales split by region 		Sales split by division 		EBITDA split by division 		Group financial 
Shareholder structure & management	CEO  Hannes Niederhauser 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.	CFO  Richard Neuwirth 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.	Shareholder structure 				
# of employees FY 2020	6,067						

Source: Pareto Securities Research

PROFIT & LOSS (fiscal year) (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Revenues	504	882	991	1,123	1,255	1,464	1,702	1,904
EBITDA	34	68	91	112	130	148	179	209
Depreciation & amortisation	(10)	(26)	(29)	(50)	(61)	(64)	(70)	(80)
EBIT	24	42	62	62	68	84	108	129
Net interest	(4)	(6)	(5)	(8)	(8)	(10)	(9)	(9)
Other financial items	-	-	-	-	-	-	-	-
Profit before taxes	20	35	56	54	61	74	99	120
Taxes	0	(6)	(8)	(5)	(6)	(12)	(17)	(22)
Minority interest	(6)	(7)	(3)	(0)	1	1	1	1
Net profit	15	23	45	49	56	63	83	99
EPS reported	0.33	0.43	0.70	0.74	0.85	0.98	1.29	1.53
EPS adjusted	0.31	0.43	0.70	0.74	0.85	0.98	1.29	1.53
DPS	0.10	0.13	0.16	-	0.30	0.34	0.45	0.54
BALANCE SHEET (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Tangible non current assets	28	32	37	38	80	87	108	127
Other non-current assets	184	195	273	392	403	447	472	496
Other current assets	331	361	366	483	481	532	599	656
Cash & equivalents	126	217	172	312	282	272	258	259
Total assets	669	805	848	1,226	1,247	1,337	1,436	1,538
Total equity	241	332	367	385	409	452	512	581
Interest-bearing non-current debt	94	115	113	283	262	249	249	249
Interest-bearing current debt	-	-	-	-	-	-	-	-
Other Debt	332	356	366	549	565	625	664	697
Total liabilities & equity	669	805	848	1,226	1,247	1,337	1,436	1,538
CASH FLOW (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Cash earnings	131	46	48	82	112	104	127	150
Change in working capital	(70)	(1)	(12)	2	29	(21)	(29)	(24)
Cash flow from investments	(74)	(39)	(63)	(56)	(77)	(62)	(90)	(95)
Cash flow from financing	72	93	(21)	84	(66)	(32)	(22)	(29)
Net cash flow	65	91	(45)	141	(30)	(10)	(14)	1
CAPITALIZATION & VALUATION (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Share price (EUR end)	8.7	18.0	15.8	21.3	19.3	20.8	20.8	20.8
Number of shares end period	49	63	66	66	65	65	65	65
Net interest bearing debt	(32)	(102)	(58)	(30)	(20)	(22)	(9)	(10)
Enterprise value	481	1,066	998	1,385	1,232	1,328	1,340	1,338
EV/Sales	1.0	1.2	1.0	1.2	1.0	0.9	0.8	0.7
EV/EBITDA	14.0	15.7	11.0	12.4	9.5	9.0	7.5	6.4
EV/EBIT	19.9	25.5	16.2	22.4	18.0	15.9	12.4	10.4
P/E reported	26.3	41.5	22.6	28.6	22.6	21.3	16.1	13.6
P/E adjusted	28.4	41.5	22.6	28.6	22.6	21.3	16.1	13.6
P/B	2.8	3.7	2.9	3.8	3.1	3.0	2.6	2.3
FINANCIAL ANALYSIS & CREDIT METRICS	2016	2017	2018	2019	2020	2021e	2022e	2023e
ROE adjusted (%)	7.9	7.9	12.9	13.1	14.0	14.7	17.3	18.1
Dividend yield (%)	1.1	0.7	1.0	-	1.6	1.6	2.2	2.6
EBITDA margin (%)	6.8	7.7	9.1	9.9	10.4	10.1	10.5	11.0
EBIT margin (%)	4.8	4.7	6.2	5.5	5.4	5.7	6.4	6.8
NIBD/EBITDA	(0.93)	(1.50)	(0.64)	(0.26)	(0.16)	(0.15)	(0.05)	(0.05)
EBITDA/Net interest	8.28	10.72	17.56	14.54	16.89	15.45	19.60	22.81

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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 %	Companies	No. of shares	Holdings in %
ArcticZymes Technologies	598,575	124%	SpareBank 1Ringerike Had	100,000	0.64%
Bonheur	241,145	0.57%	Sparebank 1SMN	1,875,442	144%
DOF	2,366,346	0.75%	Sparebank 1SR-Bank	1,850,014	0.72%
Pareto Bank	16,235,830	23.38%	SpareBank 1Østfold Akerst	12,15,116	9.81%
Quantafuel	1,119,887	0.89%	SpareBank 1Østlandet	3,825,292	3.60%
Sandnes Sparebank	126,013	0.55%	Sparebanken Møre	305,239	3.09%
Selvaag Bolig	3,176,925	3.39%	Sparebanken Sør	433,744	2.77%
SpareBank 1BV	1,771,308	2.81%	Sparebanken Vest	6,805,073	6.34%
Sparebank 1Nord-Norge	4,144,124	4.13%			

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	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
AF Gruppen	0	1,825	Fjordkraft Holding	0	12,855	Panoro Energy	0	30,344
Aker ASA	500	2,405	Flex LNG	0	3,532	Pareto Bank	0	2,412,220
Aker BP	0	23,631	Frontline	0	78,708	Pexip Holding	0	62,433
Aker Carbon Capture	0	122,821	Gjensidige Forsikring	0	7,723	PGS	0	11,676
Aker Offshore Wind	0	165,278	Golden Ocean Group	0	1,433	Protector Forsikring	0	12,000
Aker Solutions	0	3,728	Grieg Seafood	0	9,453	Quantafuel	0	1,119,887
American Shipping Co.	0	13,300	Hafnia Ltd.	0	10,000	REC Silicon	0	36,816
Aprila Bank ASA	0	22,675	Huddly	0	988,874	SalMar	0	2,709
Archer	0	30,170	Hunter Group ASA	0	308,500	Sandnes Sparebank	0	126,013
ArcticZymes Technologies	0	598,575	HydrogenPro	0	37,552	Scatec	0	20,412
Atlantic Sapphire	0	13,610	Ice Fish Farm	0	2,000	Selvaag Bolig	0	52,050
Austevoll Seafood	0	29,235	ice Group ASA	0	200,000	Skitude	0	12,695
Avance Gas	0	3,362	Kalera	0	53,027	Sparebank 1 Nord-Norge	0	3,350
B2Holding AS	0	20,075	Kitron	0	18,386	Sparebank 1SMN	0	12,740
BASF	270	270	Komplett Bank	0	10,1400	Sparebank 1SR-Bank	0	8,505
Belships	0	17,965	Kongsberg Gruppen	0	36,023	SpareBank 1Østfold Akerhus	0	1,252
Bonheur	0	32,275	KWS	75	75	SpareBank 1Østlandet	0	8,621
Borregaard ASA	0	650	Lerøy Seafood Group	0	40,478	Sparebanken Sør	0	16,435
Bouvet	0	2,940	Mercell	0	23,038	Sparebanken Vest	0	16,735
BRABank	0	74,607	Mowi	0	3,761	Sparebanken Øst	0	1,500
BW Energy	0	55,050	MPC Container Ships	0	38,937	Stolt-Nielsen	0	18,17
BW Offshore	0	16,076	Nordic Semiconductor	0	4,681	Storebrand	0	25,698
Cloudberry Clean Energy	0	50,000	Noreco	0	790	Subsea 7	0	9,226
DNB	0	45,115	Norsk Hydro	0	113,219	Telenor	0	9,752
DNO	0	151,978	Norske Skog	0	98,225	Vow	0	8,681
DOF	0	2,366,346	NTS	0	2,272	Wallerius Wilhemsen	0	57,570
Elkem	0	35,426	Ocean Yield	0	104,370	XXL	0	18,823
Entra	0	9,977	OHT	0	6,650	Yara	0	14,133
Equinor	0	2,900	Okeanis Eco Tankers	0	22,000	Zaptec	0	4,000
Euopris	0	11,414	Orkla	0	20,540			

This overview is updated monthly (last updated 07.07.2021).

*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:

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2GEnergy	EcoOnline	Kraft Bank	Saga Robotics
Avanzia Bank S.A.	ELOP	Lakers Holding AS	Salmon Evolution
Africa Energy Corp Corp	Endur ASA	Maha Energy	Scorpio Bulkers
Aker ASA	Energiean Israel Finance Ltd.	Malorama Holding AS	Seafire AB
Aker Clean Hydrogen	Enviv AS (Bookis)	Meltwater	SFL Corporation Ltd
Aker Horizons	Fertiberia S.A.R.L.	Mercell	SGL TransGroup International
Akershus Energi	Fjordkraft Holding	Mint ra Group	Siccar Point Energy
Akva Group	Flexistore AS	Modex AS	Skitude
Alussa Energy Acquisition Corp (Freyr)	Genel Energy	MPC Container Ships	Smart Wires Inc.
American Tanker, Inc.	Gjensidige Forsikring	Mutares SE & Co. KGaA	Strandline Resources Limited
Arctic Fish	Golden Ocean Group	Müller Medien GmbH (United Vertical)	Talos Energy Inc
Arendals Fossekompani	Goliath Offshore	Navigat or Holdings Ltd.	Tise AS
Attensi	Halodi Robotics AS	Navios	Trønderenergi AS
Belships	Heimdall Power	Next Biometrics Group	Vegfinans AS
BioInvent	HKN Energy Ltd	Nordic Halibut	Viking ACQ 1 AS, SPAC
Biomega Group AS	Hofseth BioCare	Norlandia Health & Care Group AS	Vow
Boreal Holding AS	House of Control	Norse Atlantic	Watercircles Forsikring
Borr Drilling Limited	Huddly	Norske Skog	West Coast Salmon
Brooge Energy Limited	HydrogenPro	Norwegian Block Exchange	Wheel.me
Bulk Infrastructure Holding	Ice Group Scandinavia Holdings AS	OHT	Ørn Software (View Software)
BW Energy	Idavang A/S	Panoro Energy	
BWLPG	Instabank ASA	Pelagia Holding AS	
CentralNic Group PLC	Kalera	PetroNor E&P	
Circa Group	Keppel FELS Limited	PetroTal	
Cloudberry Clean Energy	Kistosplc.	Proximar Seafood	
CrayoNano AS	Klaveness Combination Carriers ASA	Pryme	
DigiPlex	KLP	Quantafuel	

This overview is updated monthly (this overview is for the period 31.05.2020 – 31.05.2021).

Appendix C

Disclosure requirements in accordance with Article 6(3) of Commission Delegated Regulation (EU) 2016/958

Distribution of recommendations

Recommendation	% distribution
Buy	67%
Hold	30%
Sell	3%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	95%
Hold	5%
Sell	0%

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

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Appendix D

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Azelio	Egetis Therapeutics	LMK Group	Swedencare AB
Bionvent	Implantica	Media & Games Invest plc.	Vicore Pharma
Biovica International	Green Landscaping Group AB	Re:NewCell	VNV Global
Cibus Nordic Real Estate 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	Intershop Communications AG	OVH Holding AG	TAKKT AG
Demire	Leifheit	Procredit Holding *	Viscom *
Epigenomics AG*	Logwin *	PSI SOFTWARE AG *	
Gesco *	Manz AG *	PWO *	
Gerry Weber	MAX Automation SE	S&T AG *	

* 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

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Baywa	Expres2ion Biotechnologies	Leifheit	OHB SE
BB Biotech	Gerry Weber	MAX Automation SE	OVH Holding AG
Daldrup & Söhne	Hypoport AG	Merkur Bank	Siegfried Holding AG

This overview is updated monthly (last updated 15.06.2021).