



Going more diversified into the future: Buy, TP EUR 13

Following the acquisition of Bank Schilling, Merkur Bank has been renamed to Merkur Privatbank. By adding Privatbank to its name the bank stresses the fact that its business focus has shifted towards private banking. While the "old" Merkur Bank had focused on developer financing, the "new" Merkur Privatbank has a much more diversified business model, focusing on residential real estate developer financing and private banking. We see this positively, not only because of a more diversified risk profile, but also as we expect private banking services in general to benefit from the low interest rate environment. We confirm our Buy recommendation with a new target price of EUR 13 (EUR 11) as we regard the shares as attractively valued with a 2021e P/B of 0.8x (2020e dividend yield of 3.9%). Covid-19 will negatively impact the bank but we see it well capitalized to weather the storm.

Not only bigger, but also more diversified

Through the acquisition of Bank Schilling Merkur Privatbank (MP) has increased its total assets by 71% yoy to EUR 2.3bn. Its regulatory capital position has increased by 74% yoy to EUR 200m. More importantly, the bank is now much better diversified with a lower share of the loan portfolio/of the revenues coming from the residential real estate developer business. This should reduce future earnings volatility and should make the bank's business model more stable.

EURm	2018	2019	2020e	2021e	2022e
M.cap.	46	75	75	75	75
NII	29	42	51	52	53
Other inc.	1	1	3	3	3
Op.costs	(24)	(37)	(54)	(55)	(56)
L.losses	(0)	(1)	(3)	(3)	(3)
Net profit	4	0	6	6	6
EPS	0.64	3.25	0.72	0.75	0.79
EPS adj	0.64	0.03	0.72	0.75	0.79
P/E	12.7	3.0	13.4	12.9	12.3
P/B	0.94	0.80	0.78	0.75	0.73
Yield (%)	3.9	3.3	3.7	3.9	4.1
ROE (%)	7.5	0.3	5.9	5.9	6.0

Source: Pareto

Target price (EUR)	13.0
Share price (EUR)	9.7

Forecast changes	2020e	2021e	2022e
%			
NII	8	8	-
Operating income	5	5	-
PBLL	0	0	-
EPS	0	0	-

Source: Pareto

Ticker	MBKG.DE, MBK GY
Sector	Banks
Shares fully diluted (m)	7.8
Market cap (EURm)	75

Performance



Source: Factset

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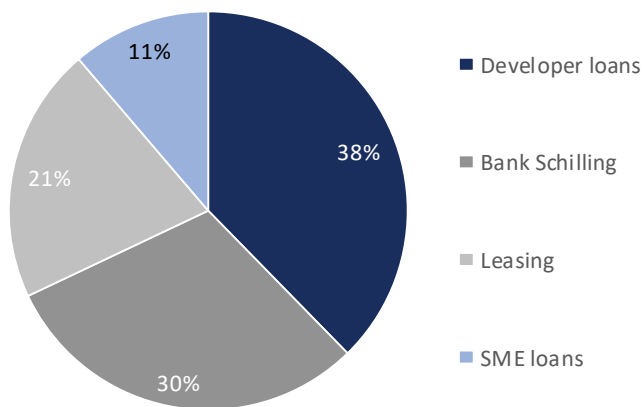
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Importance of residential real estate developer business has declined

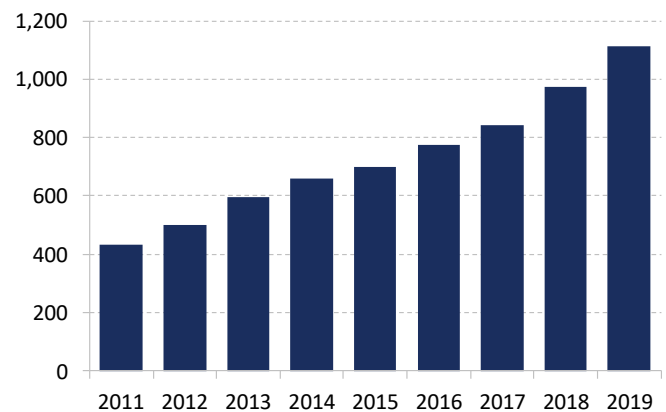
In the past the financing of residential real estate developments was MP's business focus, with EUR 600m of these loans contributing around 60% to the total loan portfolio (2018). With a focus on Munich and to a lesser extent on Stuttgart MP benefited from the positive development of the residential real estate markets in these cities. Although we remain convinced about the good prospects of the German residential real estate market, even in light of the upcoming recession, and MP's in-depth market knowledge and long market experience, we see it positively that the dependence on this market has already declined with the acquisition of Bank Schilling – the proportion of the residential real estate developer financing of the total loan portfolio has declined to 38%. 30% of the loan portfolio comes from Bank Schilling, 21% from leasing and 11% from SME customers. Thus, the earnings impact from lower new business volumes and/or higher risk provisions in case of a slow-down/deterioration of the residential real estate markets should be manageable.

Exhibit 1: Loan portfolio split (2019)



Source: Pareto Securities Research, Merkur Privatbank

Exhibit 2: Development of new developer loans (EUR m)



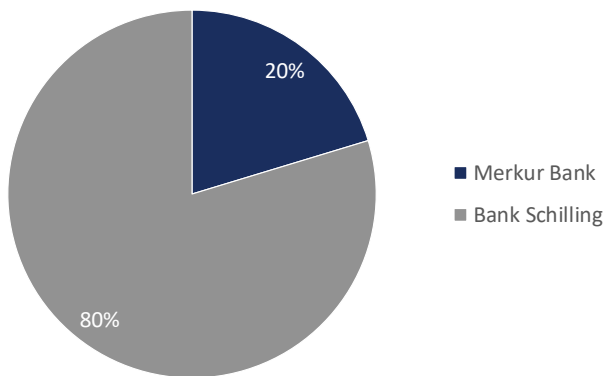
Source: Pareto Securities Research, Merkur Privatbank

Importantly, MP's residential real estate developer loan portfolio is well diversified as MP has financed 402 projects with an average loan volume of EUR 5.6m.

Wealth Management has gained in importance

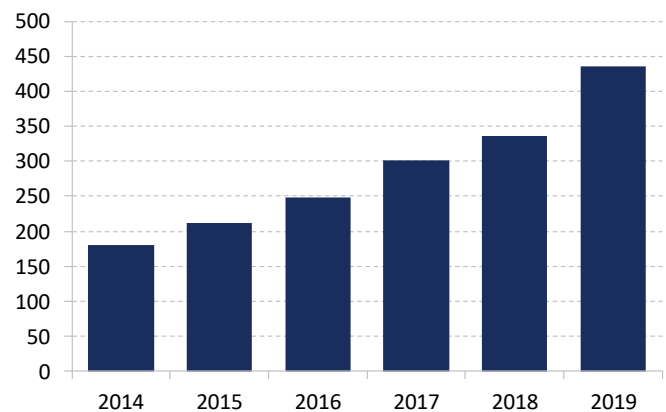
In recent years MP has managed to increase its assets under custody. End of 2019 it has reached EUR 438m, up by 30% yoy. Including Bank Schilling the bank's assets under custody (incl. private banking assets) stood at EUR 2.156bn at the end of 2019; in Q1 2020 the bank's private banking assets presumably declined qoq due to the weak capital market environment. With around EUR 2bn of assets MP has reached a critical size, in our view.

Exhibit 3: Split of private banking assets (2019)



Source: Pareto Securities Research, Merkur Privatbank

Exhibit 4: Development of assets under custody (EUR m)



Source: Pareto Securities Research, Merkur Privatbank

We expect the bank to be able to further grow its private banking assets for the following reasons:

1. **Low interest rate environment as catalyst:** Ten years ago, investing was easier for most of the private individuals as they earned at least 4% on simple bank deposit accounts. Since then interest rates have fallen to 0%, some banks charge already negative interest rates. This has increased the pressure not only for institutional investors but also for private individuals to look for alternative asset classes like equities, real estate, private equity or hedge funds. Real estate assets have become more popular among private individuals and we expect more and more people to consider equities as an asset class for them. As not everybody wants to do this on its own, we see professional wealth managers well positioned to benefit from this expected growing popularity of equities as an asset class.
2. **Good presence in smaller cities:** With the acquisition of Bank Schilling Merkur Bank has increased its branch network by 16 to 21 branches. It has now a good market presence in Northern Bavaria and Hesse in smaller cities like Bad Brückenau, Darmstadt, Fulda, Schweinfurt, Wiesbaden and Würzburg but it is also present in big cities like Düsseldorf and Frankfurt. We see in particular the smaller cities as attractive for MP as the competition in the private banking market should be not that big there. Savings and mutual banks should be the most important competitors in these markets, but we think that MP, in particular Bank Schilling, has a better image than these banks which are normally not known for their private banking expertise.
3. **Excellent reputation:** Bank Schilling had an excellent reputation in the private banking market as can be seen from numerous awards it has won over the years; it has e.g. repeatedly received the best grade "summa cum laude" from the Elite report (in cooperation with the newspaper Handelsblatt) and can thus carry the award "best private wealth manager".

Residential Real Estate in Munich market – a short assessment

As Munich is by far the most important real estate market for MP, we want to give a short assessment about this market's prospects. Although we do not rule out prices to slightly decline or at least to consolidate at the high-end due to the recession, we expect the residential real estate market in Munich to remain positive in the mid-term for the following reasons:

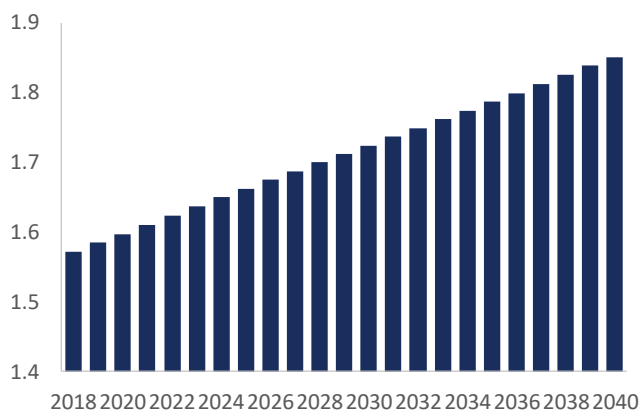
- **Migration should continue:** The population in Munich has increased by more than 10% to almost 1.6m since 2010; main reason for the population growth was migration, both domestic and international. The city of Munich forecasts Munich's population to grow to 1.85m by 2040,

which would be equivalent to an increase by 19% or an annual growth rate of 0.75%.

- **Under supply of housing:** In Munich, like in most of the other large cities in Germany, the number of newly built apartments does not cover the demand. In Munich only 67% of the required number of new apartments (2016-2020) has been built between 2016-2018. As there is currently no indication that the number of new apartments will increase significantly in the next years, we expect this gap to persist.
- **Interest rates should remain low:** Interest rates remain on a record level and we do not expect any significant increase in the mid-term. This should impact residential real estate markets twofold. 1) Buying a house/apartment to own remains attractive for many people as the low mortgage rates make buying attractive versus renting despite the strong increase in housing prices (rents have however increased as well in recent years). 2) Investors will continue looking for alternative asset classes including real estate on their hunt for yield.

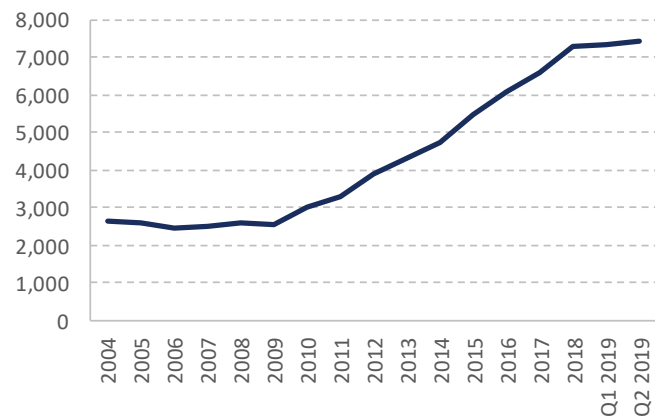
The combination of a growing population, an insufficient new building activity and a continued strong demand for residential real estate by both investors and private individuals should be the main reasons for a positive development of residential real estate markets in Munich.

Exhibit 5: Population development in Munich (m)



Source: Pareto Securities Research, City of Munich

Exhibit 6: Development of residential real estate prices in Munich (EUR per sqm for condominiums)

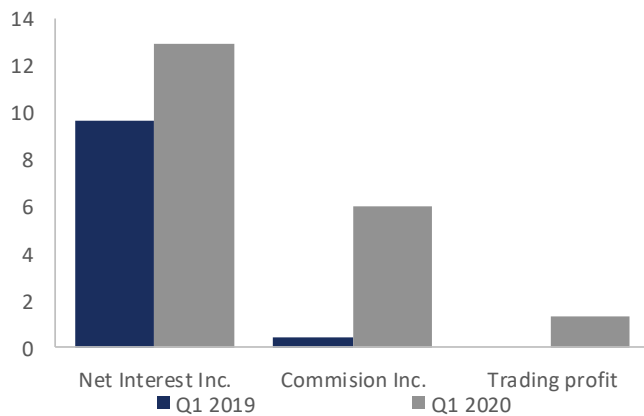


Source: Pareto Securities Research, Statista

Revenue mix better balanced

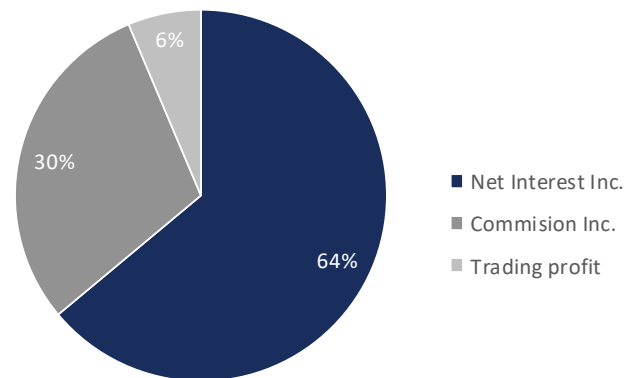
Due to the acquisition of Bank Schilling the importance of the loan business has declined which has resulted in a more balanced revenue mix. While in Q1 2019 almost 100% of MP's revenues came from net interest income, this proportion declined to 64% in Q1 2020 as both commission income (30% of revenues) and trading profit (6%) increased significantly yoy. This is clearly a positive development as it does not only reduce the bank's dependence on interest margins but at the same time leads to higher revenues without increasing the loan portfolio which means the risk of higher risk provisions in case of an economic downturn does not increase. Clearly, wealth management revenues and trading revenues are not stable in case of deteriorated capital market environment neither, but they are not 100% correlated to net interest income.

Exhibit 7: Development of revenues (EUR m)



Source: Pareto Securities Research, Merkur Privatbank

Exhibit 8: Revenue split (Q1 2020)



Source: Pareto Securities Research, Merkur Privatbank

Financials

We leave our earnings estimates unchanged and stick to our 2020e pretax profit (before fund for general banking risks) forecast of EUR 16.6m which would be equivalent to an increase by 57% yoy. Main earnings drivers are expected to be higher revenues which should be only partly offset by higher costs and higher risk provisions. We forecast a 2020e net profit of EUR 5.64m which would be equivalent to EPS of EUR 0.72. For 2021e we forecast EPS growth of 4% yoy.

Impact from Covid 19 should be manageable

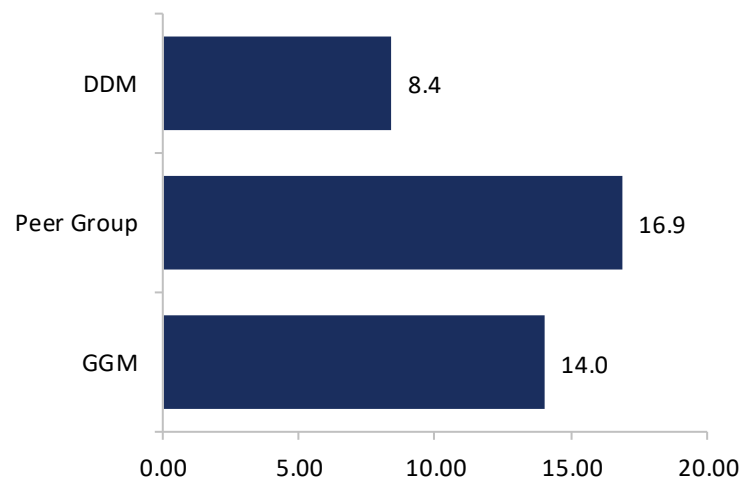
The upcoming recession should be a challenge for MP but we see the impact from Covid 19 overall as manageable for the bank. We expect the bank to be negatively impacted from higher provisions, mainly in the SME and leasing business. Its core business, the financing of residential real estate developments in Munich and Stuttgart, should not be impacted significantly as we do not expect the developers of the different residential real estate projects to run into problems in general. As shown above the residential real estate market in Munich should continue to develop positively in the mid- to long-term which does not exclude slightly lower prices in the short term. Based upon recent market data the demand for residential real estate properties has remained high in Germany. Thus, even in case of some developers going into insolvency because of the upcoming recession (as they may have miscalculated some projects, i.e. assumed too high prices which are not achievable anymore) we would still see the opportunity for MP to finish projects on their own or selling them to other developers. Positively, MP's developer finance portfolio is well diversified with 402 projects and an average loan volume of EUR 5.6m. Thus, we do not see the risk of significantly higher risk provisions for MP's developer loans.

We see the biggest risk for SME loans as we expect the number of corporate insolvencies to increase in the 2020e/2021e despite the various support measures that have been implemented by the German government. The different state support programs are however clearly very positive for all banks in Germany and should help them to better master this challenge.

Valuation and Recommendation

Our valuation is based upon a Dividend Discount Model, a Gordon Growth Model and a Peer Group Analysis. For the Peer Group Analysis we have taken into account other German banks; as some of these banks are significantly bigger than Merkur Bank the peer group comparison must be seen in combination with the two other valuation approaches, which we regard as more appropriate. From the weighted average of the three calculated fair values we have derived a new target price of EUR 13 (EUR 11); our calculated fair value has increased because of a higher peer group valuation. Given a share price upside of well above 10% we recommend buying the shares

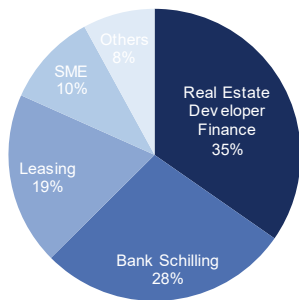
Target price of EUR 13 derived from three different valuation approaches



Source: Pareto

Investment Case in Charts

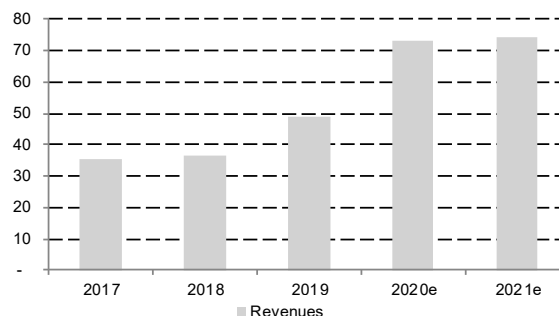
Loan portfolio split by business unit (12 2019)



Following the acquisition of Bank Schilling Commercial Real Estate Developer Financing has lost in importance.

Source: Merkur Privatbank, Pareto Research

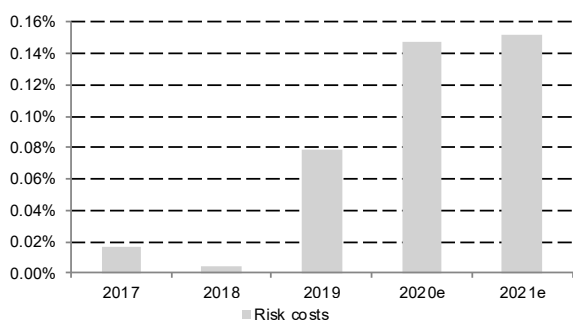
Revenues should grow ...



The strong revenues growth in 2020e should mainly result from the takeover of Bank Schilling.

Source: Merkur Privatbank, Pareto Research

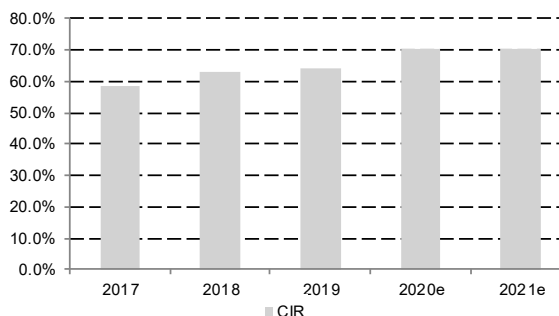
... while risk costs should remain relatively low



Risk costs should increase because of the expected recession in Germany but should remain on a relatively low level.

Source: Merkur Privatbank, Pareto Research

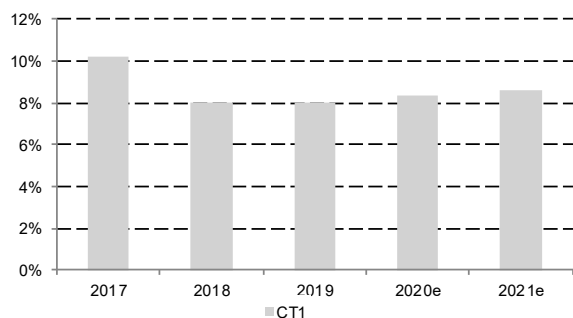
Efficiency is solid with a CIR of below 70%



CIR is at relatively low level. We see no room for further improvement as Merkur Bank is already operating quite efficiently.

Source: Merkur Privatbank, Pareto Research

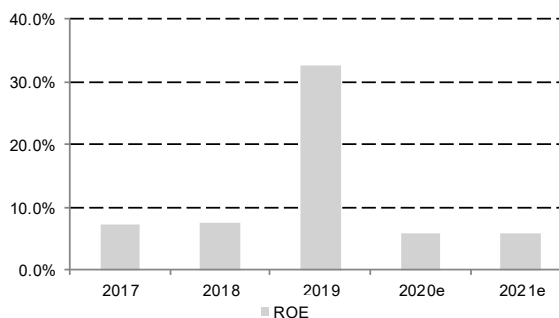
Capitalization on sufficient level



With an estimated CT1 ratio of around 10% in 2019 we see Merkur Bank sufficiently capitalized.

Source: Merkur Privatbank, Pareto Research

Solid Profitability

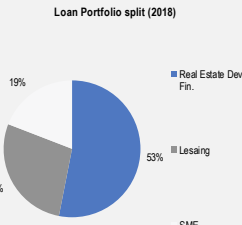


2019 ROE was impacted from a positive one-off; we expect profitability to return to a normalized level of around 6% in 2020e.

Source: Merkur Privatbank, Pareto Research

Source: Pareto Securities Research

At a Glance

Business Areas	Corporate Banking	Retail / Private Banking				
Company Profile	 <p>MERKUR Privatbank is a private bank, located in Munich, focusing on corporate and retail banking. While it has expanded its retail banking activities in recent years, residential real estate developer finance remains its most important business. Following the takeover of Bank Schilling it has however increased its wealth management business quite significantly. MERKUR Privatbank has the legal status of a KGaA and is listed on the Munich stock exchange.</p>					
Business Focus	MERKUR Privatbank offers residential real estate developer finance, leasing and classical loans to its customers with a clear focus on developer loans. Total corporate loans amount to around EUR 1.15bn.	In Retail / Private Banking MERKUR Privatbank offers retail banking services both online and through its four branches to its customers. Following the takeover of Bank Schilling it is also active in private wealth management. It has more than EUR 2bn assets under custody/mangement.				
Customers	MERKUR Privatbank's customer are SME customers. While in real estate financing they comprise different real estate investors, they include traditional SME in the other segments.	MERKUR Privatbank's customers are classical retail customers which should be somewhat more affluent than the average retail customer. Bank Schilling's customers should be more affluent.				
Regional Focus	Regional Focus in real estate developer finance is Munich and to a lesser extent Stuttgart and Nuremberg.	Regional Focus is Bavaria, Hesse, Thuringia and Saxony.				
Market share/ positioning	MERKUR Privatbank's market share should be insignificant overall but in its core market Munich MERKUR Bank should be among the established players in its niche.	MERKUR Privatbank's market share in the German retail banking market insignificant.				
Drivers	Apart from the general macroeconomic development in Germany, the overall demand for housing in Munich and thus new construction activity is the key driver for MERKUR Privatbank's revenues.	We see two developments which should be beneficial for MERKUR Privatbank: 1) The ongoing branch closures of the market leaders (savings and mutual banks) should continue to be beneficial for MERKUR Privatbank as it should help it to further grow its assets under custody. 2) The low interest rate environment forces people to invest its assets into riskier assets which should be beneficial for banks/asset managers offering asset management services.				
Asset Quality	We do not have any NPL figures for MERKUR Privatbank but based upon the current very favorable housing market in Munich, particularly the high demand for new housing, and the company's statement we assume that NPLs are currently on low levels. Clearly, a deterioration of the housing market in Munich should lead to rising NPLs.					
Capitalization	With a CT 1 ratio of 10% (2018; Pareto estimate) and total capital ratio of 15.3% MERKUR Bank fulfills the regulatory requirements but capitalization, unlike in the years before the CT 1 ratio, is not a weak spot anymore for MERKUR Bank, i.e. the bank should be able to take advantage of future growth opportunities.					
Strategy & Guidance	Strategy: (I) MERKUR Privatbank intends to further increase its AUC to increase revenues in retail/private banking to become less dependent from the real estate business (II) Further improve its capitalization to be able to make use of the business opportunities in the housing market in Munich	Guidance 2020: no concrete earnings guidance published EPS y/y Pareto Estimates 0.64 nm Consensus na				
2019	Revenues (EURm) 35.7 y/y 2.6%	CIR 63.2%	Net Profit (EURm) 3.4 ROE 7.4%	EPS SY hist. CAGR (2013-2018) 2.6%		
New bus. & Portfolio Split						
Shareholder structure & management	CEO <u>Dr. Marcus Lingel</u> CEO & personal liability partner • Dr. Lingel joined MERKUR Bank's management board in 2005 • He joined MERKUR Bank in 2000 after having finished his studies and having worked for a large private bank in the corporate banking unit		Board member <u>Claus Herrmann</u> • Mr. Herrmann joined MERKUR Bank in 1999 and became a board member in 2002 • Mr. Herrmann has gained bank experience in different savings banks and other mid-sized banks		Shareholder structure 	
# of employees FY 2019	414					

Source: Pareto Securities Research, Merkur Privatbank

PROFIT & LOSS (fiscal year) (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Net interest income	22	23	23	29	42	51	52	53
Net fee and commission income	10	10	12	7	6	19	19	20
Operating income	33	35	36	37	49	73	74	77
Staff costs	(13)	(13)	(13)	(14)	(19)	(28)	(29)	(29)
Other expenses	(9)	(9)	(10)	(10)	(18)	(25)	(25)	(26)
Depr.	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Operating expenses	(23)	(23)	(24)	(24)	(37)	(54)	(55)	(56)
Operating profit before losses	10	11	12	12	12	19	20	21
Net loan losses	(2)	2	(0)	(0)	(1)	(3)	(3)	(3)
Pre-tax profit	8	13	12	12	11	17	17	18
Tax expense	(3)	(4)	(4)	(5)	(5)	(7)	(7)	(7)
Net profit	4	9	7	7	6	10	10	11
Minority interests	(2)	(6)	(4)	(3)	(6)	(4)	(4)	(5)
Net profit attributable	3	3	3	4	0	6	6	6
BALANCE SHEET (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Current assets	72	121	141	98	192	121	135	143
Gross loans	813	847	888	1,152	1,920	1,958	1,997	2,037
Other assets and accruals	87	65	64	103	196	152	152	152
Total assets	973	1,033	1,094	1,353	2,308	2,231	2,284	2,332
Deposits from credit institutions	84	74	62	68	169	58	60	60
Deposits from the public	800	846	905	1,152	1,912	1,950	1,989	2,029
Certificates and bond loans	-	-	-	-	-	-	-	-
Other liabilities accruals and allocat.	19	26	32	37	50	38	43	43
Subordinated loan capital	31	41	47	46	82	87	92	97
Equity	39	46	48	49	94	97	100	103
Total debt and equity	973	1,033	1,094	1,353	2,308	2,231	2,284	2,332
Average total assets		1,003	1,063	1,223	1,830	2,269	2,257	2,308
PER SHARE DATA & VALUATION (EUR)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Avg. no. of shares	5	5	6	6	7	8	8	8
End. no. of shares	5	6	6	6	8	8	8	8
Price	5.9	6.7	7.9	8.2	9.7	9.7	9.7	9.7
Market cap.	31	38	45	46	75	75	75	75
EPS reported	0.51	0.61	0.60	0.64	3.25	0.72	0.75	0.79
EPS adj.	0.51	0.61	0.60	0.64	0.03	0.72	0.75	0.79
BVPS	7.5	8.0	8.4	8.7	12.1	12.5	12.9	13.3
DPS	0.22	0.26	0.30	0.32	0.32	0.36	0.38	0.40
P/E	11.6	10.9	13.0	12.7	3.0	13.4	12.9	12.3
P/E adj.	11.6	10.9	13.0	12.7	-	13.4	12.9	12.3
P/B	0.8	0.8	0.9	0.9	0.8	0.8	0.8	0.7
Dividend Yield	3.7%	3.9%	3.8%	3.9%	3.3%	3.7%	3.9%	4.1%
KEY RATIOS	2015	2016	2017	2018	2019	2020e	2021e	2022e
Net interest margin	2.39%	2.30%	2.16%	2.39%	2.32%	2.24%	2.30%	2.31%
Net interest margin (int.-bearing assets)	2.63%	2.62%	2.53%	2.71%	2.59%	2.50%	2.55%	2.57%
Cost/Income	67%	64%	63%	63%	64%	71%	71%	70%
Loan losses (bps annualised)	26	(46)	3	5	8	15	15	16
ROE		7.5%	7.4%	7.5%	0.3%	5.9%	5.9%	6.0%
ROA	0.3%	0.3%	0.3%	0.3%	1.3%	0.2%	0.3%	0.3%
RORWA	0.3%	0.4%	0.4%	0.4%	1.8%	0.3%	0.4%	0.4%

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	"Sell"	Pareto Securities Research expects this financial instrument's total return to be negative by more than 10% over the next 12 months

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Appendix A

Disclosure requirements pursuant to the Norwegian Securities Trading Regulations section 3-10 (2) and section 3-11 (1), letters a-b

The below list shows companies where Pareto Securities AS - together with affiliated companies and/or persons – own a portion of the shares exceeding 5% of the total 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 %
Helgeland Sparebank	2,009,280	9.63%	SpareBank 1Østfold Akersl	1,139,852	9.20%
Pareto Bank ASA	14,904,458	2134%	Sparebanken Vest	6,370,821	5.94%

Pareto Securities AS or its affiliates own as determined in accordance with FINRA Rule 2241, 1 % or more of the equity securities of:

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,009,280	9.63%	SpareBank 1SMN	1,880,442	145%
NHST Media Group AS	18,000	140%	SpareBank 1Østfold Akersl	1,139,852	9.20%
Pareto Bank ASA	14,904,458	2134%	Sparebanken M øre	305,239	3.09%
Selvaag Bolig ASA	2,177,497	2.32%	Sparebanken Sør	433,444	2.77%
SpareBank 1BV	1,655,220	2.62%	Sparebanken Vest	6,370,821	5.94%
SpareBank 1Nord-Norge	3,245,605	3.23%	Totens Sparebank	78,246	128%

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
Adevinta	0	574	Grieg Seafood	0	5,458	SailMar	0	385
AF Gruppen	0	18,985	Hafnia Limited	0	30,000	Sandnes Sparebank	0	25,782
Aker	0	791	Helgeland Sparebank	0	2,777	Sbanken	0	4,755
Aker BP	0	23,376	Høegh LNG	0	3,890	Scatec Solar	0	35,000
American Shipping Compar	0	3,500	Ice Group	0	104,391	Schibsted ASA A Aksjer	0	232
Atlantic Sapphire	0	1,105	Jæren Sparebank	0	500	Schibsted ASA B Aksjer	0	607
Avance Gas	0	4,456	Komplett Bank	0	94,300	Selvaag Bolig	0	2,350
Axactor	0	11,376	Kongsberg Gruppen	0	34,274	SpareBank 1BV	0	22,000
Bakkafrost	0	144	KWS	75	75	SpareBank 1Nord-Norge	0	26,050
BASF	270	270	Lerøy Seafood	0	3,789	SpareBank 1SMN	0	17,740
Bonheur	0	38,876	Mowi	0	3,779	SpareBank 1SR-Bank	0	42,601
BRABank	0	137,1000	NORBIT	0	4,955	SpareBank 1Østlandet	0	10,021
BWEnergy Limited	0	43,075	Nordic Semiconductor	0	6,765	Sparebanken Sør	0	16,135
BWOffshore	0	8,326	Norsk Hydro	0	102,821	Sparebanken Vest	0	14,894
DNB	0	31,464	Norwegian Air Shuttle	0	39,463	Sparebanken Øst	0	1,500
DNO	0	496,263	Norwegian Finans Holding	0	3,310	Stolt-Nielsen	0	42,217
Elkem	0	5,218	NTS	0	2,172	Storebrand	0	7,720
Entra	0	10,537	Ocean Yield	0	46,005	Subsea 7	0	3,198
Equinor	0	5,132	Okeanis Eco Tankers	0	2,000	Telenor	0	2,076
Europris	0	11,769	Orkla	0	18,699	TGS-NOPEC	0	2,000
Fjord1	0	50,000	Panoro Energy	0	7,285	VOWASA	0	4,781
Fjordkraft Holding	0	12,000	Pareto Bank	0	1,280,848	XXL	0	12,453
Frontline	0	11,730	Protector Forsikring	0	14,785	Yara International	0	13,945
Gjensidige Forsikring	0	7,280	Quantafuel	0	254			
Golden Ocean Group	0	1,744	REC Silicon	0	32,708			

This overview is updated monthly (last updated 15.06.2020).

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

Appendix B

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letters e-f, ref the Securities Trading Act Section 3-10

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:

2020Bulkers	Exmar NV	Norbit Group
24SevenOffice Scandinavia AB	Filo Mining Corp	Northern Ocean
Acconer AB	Flex LNG	Norwegian Air Shuttle
Avanzia Bank	Floatel	Nouveau Monde Graphite
Africa Energy	Genel Energy	Ocean Yield
African Petroleum Corporation	GG. St. Kongensgade 100 og 106	Odfjell SE
Agder Energi	Hafnia Limited	OKEA
Aker ASA	Hafslund E-CO	Otiga Group
Aprila Bank ASA	Helgeland Sparebank	Pareto Bank
Belships	HKN Energy Ltd	Petroleum Geo-Services
Borr Drilling Ltd.	Hunter Group	PetroTal
BRABank	Hörmann Industries	Pexip Holding ASA
BRABank ASA	Ice Group	Pinewood Laboratories
BWEnergy	ICWHolding	Pioneer Property Group
Cabonline Group Holding AB	Kingfish Zeeland	Pioneer Property Group ASA
CentralNic Group	Klavness Combination Carriers ASA	Providences Inv. Mngmt Pty
Cibus Nordic Real Estate AB	Kongsberg Automotive	Salmon Evolution AS
Digiplex	LifeFit	Sandnes Sparebank
DNO ASA	Luxaviation Holding	Seadrill
DOF ASA	Monobank ASA	Sparebanken Vest
DOF Subsea AS	Mutares SE & Co. KGaA	Stolt Nilsen
Erwe Immobilien	Navigator Holdings	TEMPTON Dienstleistungen
Euromicron AG	Next Biometrics Group ASA	United Camping AB

This overview is updated monthly (this overview is for the period 31.05.2019 – 31.05.2020).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	65%
Hold	31%
Sell	4%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	83%
Hold	17%
Sell	0%

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

This overview is updated monthly (last updated 15.06.2020).

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:

Azelio	Jetpak Top Holding AB	Pledpharma AB	ShaM aran Petroleum
Bionvent	Mentice AB	QleanAir Holding	
IRRAS AB	Minesto	Sedana Medical	

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:

ByggPartner i Dalarna Holding	Magnolia Bostad	SciBase Holding	Tethys Oil
Cibus Nordic Real Estate	Minesto	Sedana Medical	Vostok Emerging Finance
Isofol Medical	Saltängen Property Invest	ShaM aran Petroleum	

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:

Bosjö Fastigheter AB	Bråviken Logistik	Halmslätten	Mälårasen
Bonåsudden	Delarka	Logistri	Sydsvenska Hem

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Appendix E

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letter d, ref the Securities Trading Act Section 3-10

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Baywa	Heidelberg Pharma *	MOBOTIX AG	SMT Scharf AG *
Biotest *	Hypoport AG	mutares	Surteco Group *
Brenntag	Intershop Communications AG	OVH Holding AG	Syzygy AG *
CORESTATE Capital Holding S.A.	ISRA Vision	Procredit Holding *	TAKKT AG
Daldrup & Söhne	Leifheit	PSI SOFTWARE AG *	Vapiano
Demire	Logwin *	PWO *	va-Q-tec *
Epigenomics AG*	Manz AG *	RIB Software *	Viscom *
Gesco *	MAX Automation SE	S&T AG *	
GFT Technologies *	Merkur Bank	SCOUT24	

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

Appendix F

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letter g, ref the Securities Trading Act Section 3-10

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	Daldrup & Söhne	Intershop Communications AG	mutares
Baywa	Dermapharm Holding SE	Leifheit	OHB SE
BB Biotech	First Sensor	MAX Automation SE	OVH Holding AG
B.R.A.I.N.	Godewind Immobilien AG	Merkur Bank	Siegfried Holding AG
comdirect	Hypoport AG	MOBOTIX AG	

This overview is updated monthly (last updated 15.06.2020).