

Upgrade to Buy, new TP EUR 17

[Following a relative underperformance (vs. German banks) in H2 2021 post our downgrade to Hold in August, we upgrade the shares from Hold to Buy with a new target price of EUR 17.0 (EUR 15.0). The shares are attractively valued with a 2023e P/B of 1.0x and a ROE of 8%. We expect the bank to continue to benefit from a high new construction activity in Munich and a rising popularity of share investments. We forecast an earnings growth of 7% p.a. for the next years (CAGR 2021e-'23e). We particularly like the shares as Dr. Lingel, CEO of the bank, is at the same time a large shareholder and thus has "skin in the game". Hence, we expect him to continue the cautious but in recent years very successful expansion of the bank. At the same time, we are not afraid of the bank expanding too aggressively by making another large acquisition in the short term.]

Relative underperformance in H2 2021

While the other listed German banks (CBK, DBK, PBB, ARL, UMW) have on average shown a positive share price performance of 21% in H2, Merkur Privatbank shares have increased by only 2%. In our view, there is no fundamental reason for this relative underperformance. Merkur has delivered good results for Q2 and Q3 and like the other banks it should also benefit c.p. from higher interest rates.

Financials

We have increased our earnings estimates as we have mainly become more optimistic regarding the development of the wealth management business. We have left our 2021e EPS estimate unchanged but have increased our 2022e EPS estimate slightly from EUR 1.16 to EUR 1.19. For 2023e we have also become more optimistic: we have increased our EPS estimate from EUR 1.21 to EUR 1.29.

CEO with "skin in the game"

Generally, we like the fact that the bank's CEO, Dr. Marcus Lingel, is at the same time a personally liable partner and a large shareholder of the bank. Hence, his interest in the banks is fully aligned with the shareholders' interests. He is not focused on maximizing earnings in the short term but rather focuses on the long-term prospects of the bank. This is also reflected in the bank's cautious risk policy. As the banking business is based upon trust, we think it is particularly important that the bank's CEO is 100% trustworthy.

EURm	2019	2020	2021e	2022e	2023e
M.cap.	75	79	114	116	116
NII	42	53	54	55	56
Other inc.	1	4	2	2	2
Op.costs	(37)	(51)	(51)	(52)	(54)
L.losses	(1)	(6)	(5)	(4)	(4)
Net profit	0	8	9	9	10
EPS	3.25	1.05	1.13	1.19	1.29
EPS adj	0.03	1.05	1.13	1.19	1.29
P/E	3.0	9.6	13.0	12.5	11.5
P/B	0.80	0.78	1.07	1.03	0.95
Yield (%)	3.3	4.0	2.7	2.7	3.0
ROE (%)	0.3	8.4	8.5	8.5	8.5

Source: Pareto Securities

Target price (EUR)	17.0	▲	BUY
Share price (EUR)	14.9	—	HOLD
		▼	SELL

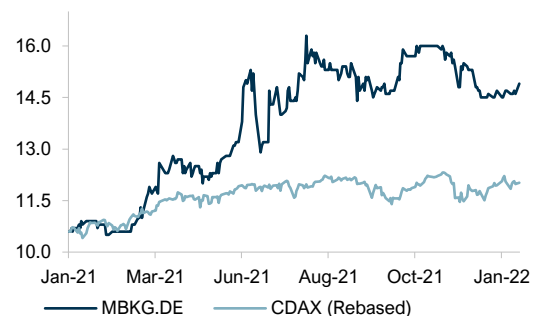
Forecast changes

%	2021e	2022e	2023e
NII	-	0	1
Operating inc.	-	1	1
PBLL	-	2	4
EPS	-	3	6

Source: Pareto Securities

Ticker	MBKG.DE, MBK GY
Sector	Banks
Shares fully diluted (m)	7.8
Market cap (EURm)	116

Performance



Source: FactSet

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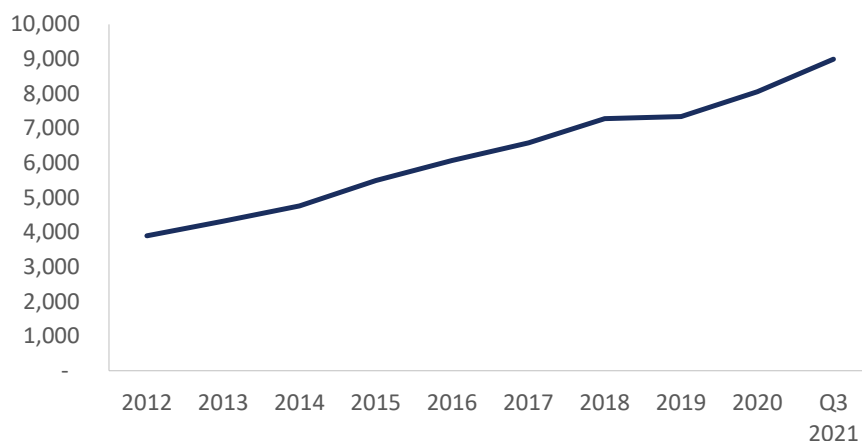
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Residential real estate markets on high level but no crash ahead

Merkur's main business in terms of earnings contribution is the financing of residential real estate developers, mainly in Munich and to a lesser extent in Stuttgart and some smaller cities. Merkur has clearly benefited from the strong development of the residential real estate market in Munich, as on the one hand demand for developer loans was high as new building activity was high. On the other hand, loan losses were low as the positive pricing development made life easy for the developers of residential real estate properties. They normally did not have any problems in selling the apartments at the projected price, most of the times prices increased even during the construction phase. Note, that average residential real estate prices in Munich have more than doubled between 2010 and 2020.

Development of apartment prices in Munich (EUR per sqm)

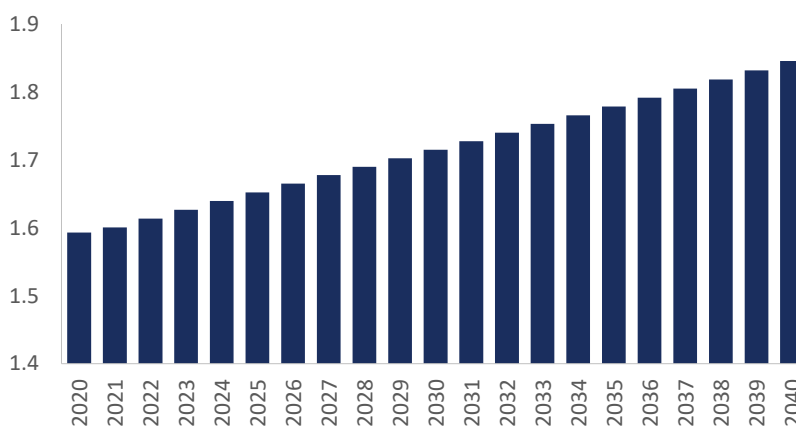


Source: Pareto Securities, statista

Although we do not think that the residential real estate market in Munich will develop as strongly in the next ten years as it did in the last ten years, we do not see any crash ahead. The likeliest scenario is in our view a continued high new construction activity and a more or less stable pricing development. We see the following supporting factors for the residential real estate market in Munich:

1. **Population growth should continue:** Munich's population has increased by 184k (+13%) between 2010 and 2020. Based upon a forecast by the city of Munich ("Referat für Stadtplanung und Bauplanung") the population in Munich should grow by 254k (+16%) between 2019 and 2040. Main driver should be clearly migration. Although population growth should somewhat slow down, Munich should remain one of the most attractive cities in Germany and should continue to attract people, not only from Germany but also from abroad.

Forecasted population development in Munich (population in m)



Source: Pareto Securities, City of Munich

2. **Interest rates should remain on rather low level:** Interest rates have significantly declined during the last twenty years and have reached new record lows in 2021. Even though it seems likely that the trend has turned in 2021 and interest rates

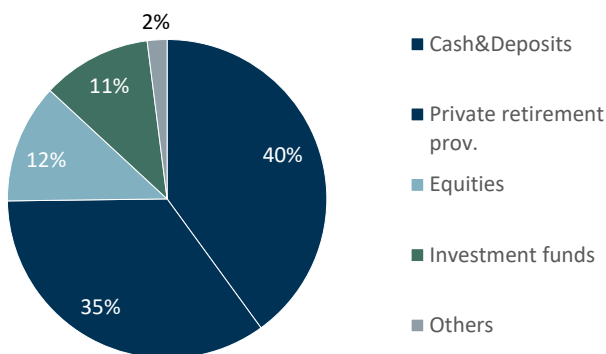
will rise going forward, we expect interest rates to remain on a low level, compared to historic levels. Even if mortgage rates increased by around 100 bps, funding costs would still remain on a low level and buying an apartment would remain cheaper than renting one in many cases. This would c.p. mean that residential real estate properties remain attractive for owner-occupier buyers. For investors the asset class should also remain attractive as bond yields would still remain relatively unattractive even in case of a 100 bps upwards shift.

3. **Higher inflation rates should keep interest in real estate assets high:** Inflation rates have increased during 2021 to levels not seen for the last 30 years. In December the inflation ratio amounted to 5.3% and for the full year the inflation rate stood on average at 3.1%. Although economists expect the inflation rate to decline again in 2022e it is unlikely in our view that inflation will soon return to Pre-Corona levels of below 2%. Under such a scenario residential real estate assets should remain attractive for both investors and owner-occupier buyers.

Shares should further gain in popularity

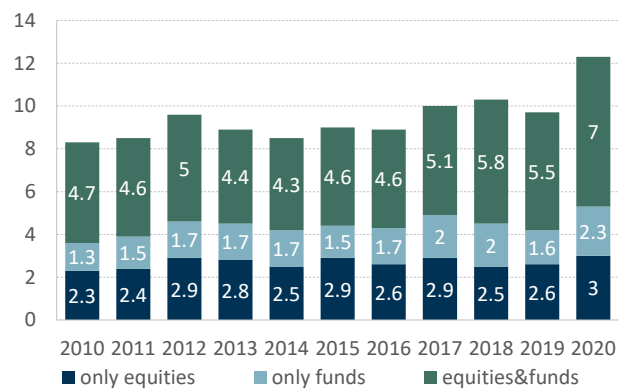
Shares as an asset class have never been popular in Germany. Germans used to invest their money into life insurance policies (as an old-age provision tool) and/or keep it in savings accounts. This has not really changed recently, but nevertheless the number of shareholders and investment fund investors have increased during the last two years. The number of shareholders and holders of investment funds have increased by 27% during 2020 (no figures for 2021 yet available). An important driver of this development has been the emergence of neo brokers which made share trading cheaper and also somewhat easier. This made share trading particularly popular among younger people. Once again, the low interest rate environment has been an important driver. Particularly, younger people have to invest into shares given the low-rate environment which makes traditional asset classes like life insurance policies or savings account unattractive.

Wealth split of German individuals (Q1 '21)



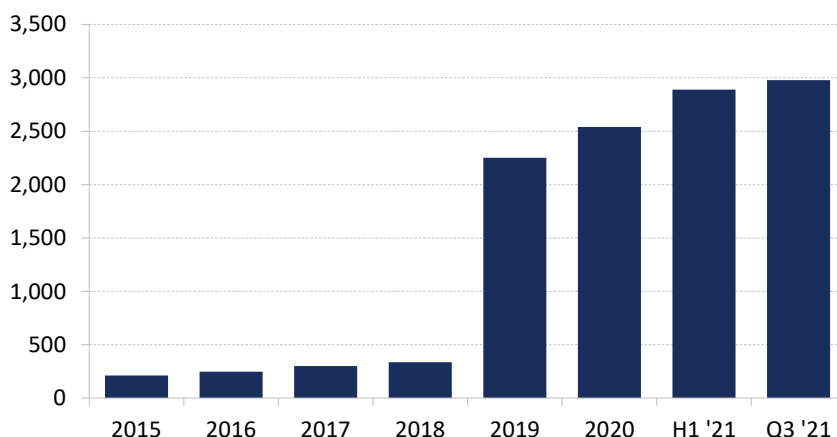
Source: Pareto Securities Research, Bundesbank, Bankenverband

Development of the # of shareholders (m)



Source: Pareto Securities Research, DAI

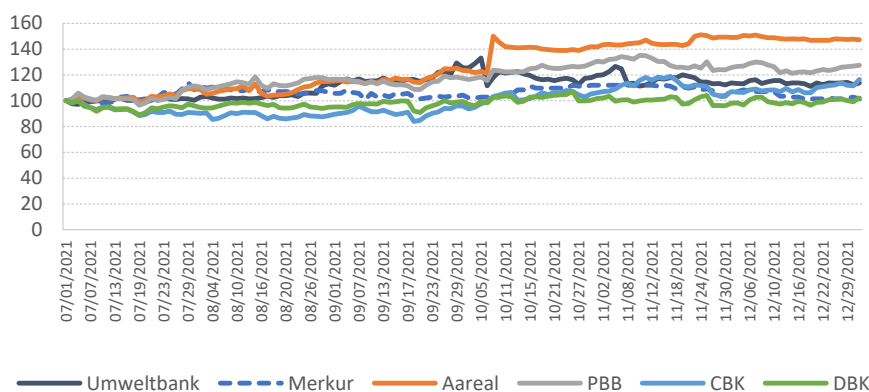
With the acquisition of Bankhaus Schilling, Merkur has strengthened its position in the investment management / advisory business. As of 30.9.2021 it had EUR 3bn of assets under custody, an increase by more than 30% versus 2019 (the first year when it has fully consolidated Bankhaus Schilling). Although only around 30% of these assets are classical wealth management assets, we nevertheless see the strong increase in AuC positively as it should help Merkur to reduce the dependence on the real estate developer business. At the same time, we see the bank well positioned to benefit from a growing popularity of shares. Neo or online brokers have clearly an attractive offering but there remains a large number of people who want to have a personal contact when investing their money. These people are willing to pay for such a service and we see Merkur well positioned to win a share of those customers. Hence, we expect Merkur to be able to further increase its commission income in the next years.

Development of Assets under Custody at Merkur Privatbank (EUR m)

Source: Pareto Securities, Merkur Privatbank

Relative underperformance in H2

While the other listed German banks (CBK, DBK, PBB, ARL, UMW) have on average shown a positive share price performance of 21% in H2, Merkur Privatbank shares have increased by only 2% during H2. In our view, there is no fundamental reason for this relative underperformance. Merkur has delivered good results for Q2 and Q3 and like the other banks it should also benefit c.p. from higher interest rates, even if the impact should be rather limited for Merkur. One reason for Merkur'S weak share price performance is presumably the strong performance in H1 (+ 40%) which may have resulted in some profit taking in H2.

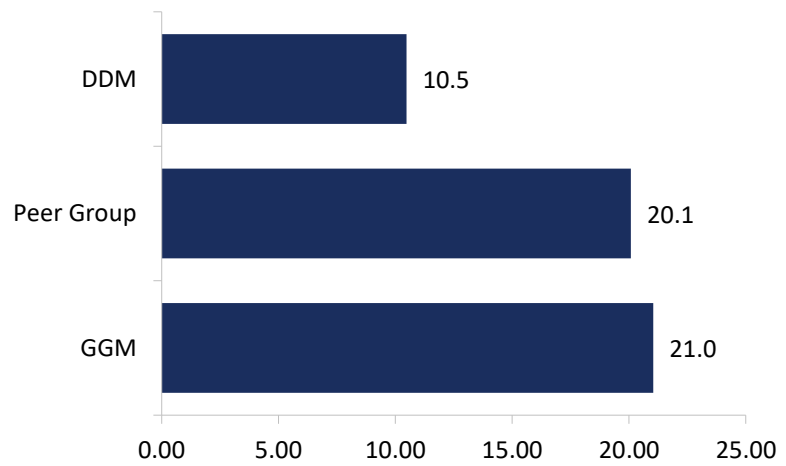
Share price performance of German banks in H2 2021 (indexed, 30.6.2021 as 100)

Source: Pareto Securities, Factset

Recommendation and valuation

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 Privatbank the peer group comparison must be seen in combination with the two other valuation approaches, which we regard as more appropriate. Note, that we have reduced our WACC slightly by 50 bp's to 8.5% to take into account Merkur Privatbank's improved risk profile following the acquisition of Bankhaus Schilling and the resulting more diversified revenue mix. From the weighted average of the three calculated fair values, we have derived a new target price of EUR 17.0 (EUR 15.0); our calculated fair value has mainly increased because of the lower WACC and slightly higher earnings estimates. Given a share price upside of more than 10% to our target price we upgrade the shares from Hold to Buy with a new target price of EUR 17.0. The shares are attractively valued with a 2023e P/B of 1.0x and a ROE of 8%. Note, that the average P/B 2023e multiple of German banking peers stands at 1.4x (ROE at 9%).

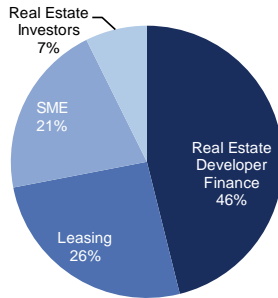
Valuation based upon three different valuation approaches



Source: Pareto Securities, Factset

Investment Case in Charts

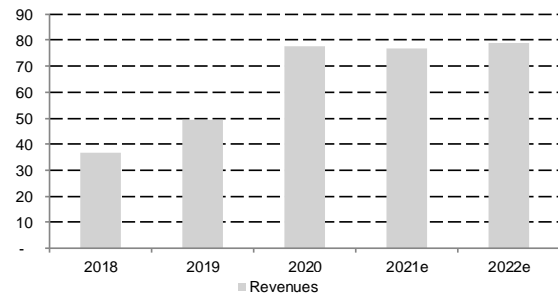
Loan portfolio split by business unit (2020)



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

Source: Merkur Privatbank, Pareto Research

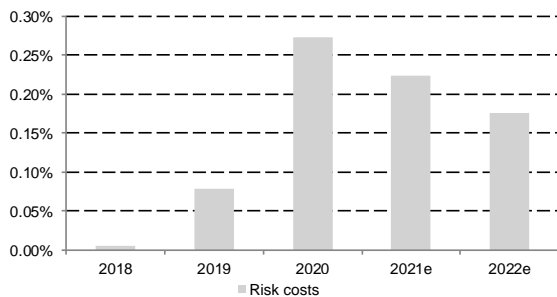
Revenues should slightly increase again in 2022e



We forecast revenues to increase in 2022e after a decline in 2021e due to lower trading revenues.

Source: Merkur Privatbank, Pareto Research

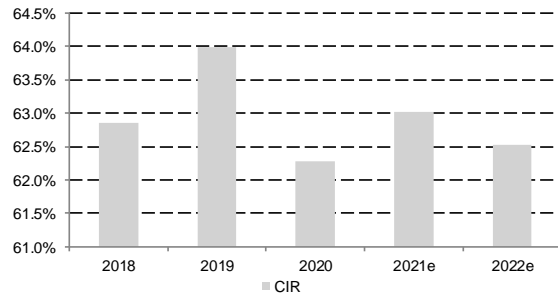
Risk costs should remain elevated



Risk costs should remain on an elevated level because of Covid-19.

Source: Merkur Privatbank, Pareto Research

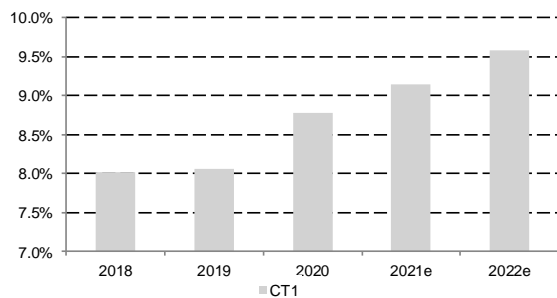
Efficiency is solid with a CIR of below 65%



CIR is at relatively low level. We see only limited room for further improvement as Merkur Privatbank is already operating quite efficiently.

Source: Merkur Privatbank, Pareto Research

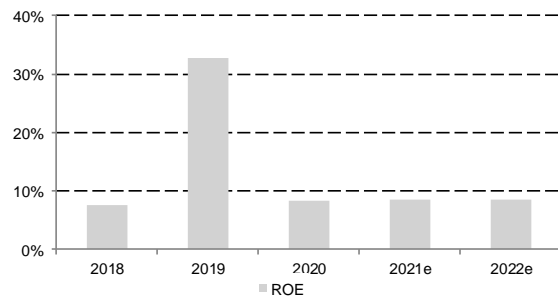
Capitalization on sufficient level



With an estimated CT1 ratio of well above 8% in 2020 we see Merkur Privatbank 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 well above 8% in 2021e.

Source: Merkur Privatbank, Pareto Research

Source: Pareto Securities Research

Merkur Privatbank at a glance

Business Areas	Corporate Banking	Retail / Private Banking									
Company Profile	 <p>MERKUR PRIVATBANK</p> <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/management.									
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 CT1 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 CT1 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	<p>Strategy:</p> <p>(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</p> <p>(II) Further improve its capitalization to be able to make use of the business opportunities in the housing market in Munich</p>	<p>Guidance 2021:</p> <p>no concrete earnings guidance published</p> <table border="1"> <thead> <tr> <th></th> <th>Pareto Estimates</th> <th>Consensus</th> </tr> </thead> <tbody> <tr> <td>EPS y/y</td> <td>1.13</td> <td>na</td> </tr> <tr> <td></td> <td>7.2%</td> <td>na</td> </tr> </tbody> </table>		Pareto Estimates	Consensus	EPS y/y	1.13	na		7.2%	na
	Pareto Estimates	Consensus									
EPS y/y	1.13	na									
	7.2%	na									
2020	<p>Revenues (EURm) 77.6</p> <p>y/y 57.5%</p> <p>CIR 62.3%</p> <p>Net Profit (EURm) 8.2</p> <p>ROE 8.4%</p> <p>EPS 5Y hist. CAGR (2015-2020) 15.7%</p>										
New bus. & Portfolio Split											
Shareholder structure & management	<p>CEO <u>Dr. Marcus Lingel</u> CEO & personal liability partner</p> <p>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</p>	<p>Board member <u>Claus Herrmann</u></p> <p>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</p>									
# of employees FY 2020	409										
Shareholder structure											

Source: Pareto Securities Research

PROFIT & LOSS (fiscal year) (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net interest income	23	23	29	42	53	54	55	56
Net fee and commission income	10	12	7	6	20	21	22	23
Operating income	35	36	37	49	78	77	79	81
Staff costs	(13)	(13)	(14)	(19)	(30)	(31)	(32)	(33)
Other expenses	(9)	(10)	(10)	(18)	(20)	(19)	(20)	(20)
Depr.	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Operating expenses	(23)	(24)	(24)	(37)	(51)	(51)	(52)	(54)
Operating profit before losses	11	12	12	12	26	25	27	27
Net loan losses	2	(0)	(0)	(1)	(6)	(5)	(4)	(4)
Pre-tax profit	13	12	12	11	21	20	23	23
Tax expense	(4)	(4)	(5)	(5)	(10)	(9)	(9)	(9)
Net profit	9	7	7	6	11	12	13	14
Minority interests	(6)	(4)	(3)	(6)	(3)	(3)	(4)	(4)
Net profit attributable	3	3	4	0	8	9	9	10
BALANCE SHEET (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Current assets	121	141	98	192	341	245	260	290
Gross loans	847	888	1,152	1,920	2,122	2,165	2,208	2,252
Other assets and accruals	65	64	103	196	219	143	143	143
Total assets	1,033	1,094	1,353	2,308	2,682	2,553	2,611	2,685
Deposits from credit institutions	74	62	68	169	225	60	60	60
Deposits from the public	846	905	1,152	1,912	2,214	2,257	2,300	2,344
Certificates and bond loans	-	-	-	-	-	-	-	-
Other liabilities accruals and allocat.	26	32	37	50	60	41	45	60
Subordinated loan capital	41	47	46	82	82	89	94	99
Equity	46	48	49	94	101	106	113	123
Total debt and equity	1,033	1,094	1,353	2,308	2,682	2,553	2,611	2,685
Average total assets	1,003	1,063	1,223	1,830	2,495	2,617	2,582	2,648
PER SHARE DATA & VALUATION (EUR)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Avg. no. of shares	5	6	6	7	8	8	8	8
End. no. of shares	6	6	6	8	8	8	8	8
Price	6.7	7.9	8.2	9.7	10.1	14.7	14.9	14.9
Market cap.	38	45	46	75	79	114	116	116
EPS reported	0.61	0.60	0.64	3.25	1.05	1.13	1.19	1.29
EPS adj.	0.61	0.60	0.64	0.03	1.05	1.13	1.19	1.29
BVPS	8.0	8.4	8.7	12.1	13.0	13.7	14.5	15.8
DPS	0.26	0.30	0.32	0.32	0.40	0.40	0.40	0.45
P/E	10.9	13.0	12.7	3.0	9.6	13.0	12.5	11.5
P/E adj.	10.9	13.0	12.7	-	9.6	13.0	12.5	11.5
P/B	0.8	0.9	0.9	0.8	0.8	1.1	1.0	0.9
Dividend Yield	3.9%	3.8%	3.9%	3.3%	4.0%	2.7%	2.7%	3.0%
KEY RATIOS	2016	2017	2018	2019	2020	2021e	2022e	2023e
Net interest margin	2.30%	2.16%	2.39%	2.32%	2.11%	2.06%	2.13%	2.13%
Net interest margin (int.-bearing assets)	2.62%	2.53%	2.71%	2.59%	2.44%	2.39%	2.45%	2.46%
Cost/Income	64%	63%	63%	64%	62%	63%	63%	63%
Loan losses (bps annualised)	(46)	3	5	8	27	22	18	17
ROE	7.5%	7.4%	7.5%	0.3%	8.4%	8.5%	8.5%	8.5%
ROA	0.3%	0.3%	0.3%	1.3%	0.3%	0.3%	0.4%	0.4%
RORWA	0.4%	0.4%	0.4%	1.8%	0.5%	0.5%	0.6%	0.6%

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"Buy"	Pareto Securities Research expects this financial instrument's total return to exceed 10% over the next 12 months
"Hold"	Pareto Securities Research expects this financial instrument's total return to be between -10% and 10% over the next 12 months
"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 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	240,958	0.57%
Pareto Bank	15,311,702	2.192%
Selvaag Bolig	4,284,191	4.57%
Sparebank 1Nord-Norge	4,287,282	4.27%
SpareBank 1Ringerike Hadeland	100,000	0.64%
Sparebank 1SMN	1,970,442	1.52%
Sparebank 1SR-Bank	1,857,563	0.73%
SpareBank 1Østfold Akerhusus	1,232,229	9.95%
SpareBank 1Østlandet	3,833,163	3.61%
Sparebanken Møre	305,239	3.09%
Sparebanken Sør	433,744	2.77%
Sparebanken Vest	6,862,263	6.39%
NEXT Biometrics	710,901	0.78%
SpareBank 1Sørøst-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	1825
Aker ASA	500	3,052
Aker BP	0	20,162
Aker Carbon Capture	0	10,881
Aker Clean Hydrogen	0	138,040
Aker Horizons	0	25,848
Aker Offshore Wind	0	166,819
Aprila Bank ASA	0	22,675
Archer	0	30,170
ArcticZymes Technologies	0	684
Austevoll Seafood	0	3,600
AutoStore	0	1685
B2Holding AS	0	13,940
Bonheur	0	32,088
Borregaard ASA	0	650
Bouvet	0	2,940
BRABank	0	31,499
BW Energy	0	97,965
BW Offshore	0	16,076
Circa Group	0	14,350
Cloudberry Clean Energy	0	100,250
Desert Control	0	20,000
DNB	0	48,805
DNO	0	15,1978
Ekem	0	39,367
ELOP	0	130,000
Equinor	0	2,606
Europris	0	13,208
Fjordkraft Holding	0	12,527
Flex LNG	0	1,317

Company	Analyst holdings*	Total holdings
Frontline	0	84,948
Gaming Innovation Group	0	25,912
Gjensidige Forsikring	0	7,734
Grieg Seafood	0	9,127
Hafnia Ltd.	0	10,000
Huddly	0	906,173
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	34,001
KWS	75	75
Lerøy Seafood Group	0	39,328
Meltwater	0	30,700
Mercell	0	24,863
Mowi	0	486
MPC Container Ships	0	50,472
NEXT Biometrics	0	710,901
NORBIT ASA	0	1,656
Nordic Semiconductor	0	5,336
Noreco	0	790
Norse Atlantic	0	25,000
Norsk Hydro	0	84,189
Norske Skog	0	98,499
Northern Drilling Ltd.	0	92,319
NTS	0	2,172
Okeanis Eco Tankers	0	2,000
Orkla	0	21,683
Panoro Energy	0	36,421
Pareto Bank	0	1,341,356
Pexip Holding	0	105,121
Protector Forsikring	0	14,000
Pryme	0	4,500
Quantafuel	0	5,797
REC Silicon	0	35,951
SailMar	0	2,799
Sandnes Sparebank	0	4,013
Scatec	0	30,456
Seaway 7	0	4,000
Selvaag Bolig	0	3,093
Sparebank 1Nord-Norge	0	3,350
Sparebank 1SMN	0	12,740
Sparebank 1SR-Bank	0	16,054
SpareBank 1Østfold Akerhusus	0	1,252
SpareBank 1Østlandet	0	9,621
Sparebanken Møre	0	16,435
Sparebanken Sør	0	17,382
Sparebanken Vest	0	1,500
Stolt-Nielsen	0	18,17
Storebrand	0	25,698
Subsea 7	0	12,893
Telenor	0	14,752
TGS-NOPEC	0	600
Vow	0	5,681
Vow Green Metals	0	19,681
Wallenius Wilhelmsen	0	16,750
XXL	0	20,923
Yara	0	15,681
Zaptec	0	14,000

This overview is updated monthly (last updated 17.01.2022).

*Analyst holdings refers 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	Noreco
Avanza Bank S.A.	Norlandia Health & Care Group AS
Aker ASA	Norse Atlantic
Aker Clean Hydrogen	Norske Skog
Aker Horizo	Norwegian Block Exchange
Aprila Bank ASA	Odjell Oceanwind
Arcane Crypto	Otello Corporation
Arctic Fish	Panoor Energy
Arendals Fossekompni	PetroNor E&P
Attensi	PetroTal
Barramundi Group Pte. Ltd.	PHM Group
Belships	Ping Petroleum UK Limited
Bio Invent	poLight
Bio mega Group AS	Pronofa AS
Bonheur	Protector Forsikring
Boreal Holding AS	Proximar Seafood
BW Energy	Pryme
BW LPG	Pyrum Innovations
BW Offshore	Saga Robotics
Cavai AS	Salmon Evolution
CentralNic Group PLC	Seafire AB
Circa Group	Seagems Norway
Cloudberry Clean Energy	Seajacks
Dampskibsselskabet NORDEN A/S	SFL Corporation Ltd
DLT	SGL TransGroup International A/S
DNO	Shamaran Petroleum
Documaster AS	Siccar Point Energy
EcoOnline	Slate European Holdings
ELOP	Smart Wires Inc.
Enapter AG	Strandline Resources Limited
Energie Israel Finance Ltd.	TEMP TON GmbH
Enviv AS (Bookis)	Trønderenergi AS
First Camp Group AB	Vegfinans AS
Flex LNG	Vestby Logistik Holding
FREYR Battery	Viking ACQ 1AS, SPAC
Funkwerk AG	Vow
Gjensidige Forsikring	Waldorf Production UK Ltd
Global Agrajes (Fertberia group)	wheel.me
Golar LNG	Xeneta AS
Golden Ocean Group	Ymber AS
Goliath Offshore	ZTL Payment Solution AS
Green Transition Holding	Ørn Software
Greenfood	
Grøntvedt AS	
Hagal AS	
Halodi Robotics AS	
Heimdall Power	
HKN Energy Ltd	
Huddly	
Ice Group Scandinavia Holdings AS	
Immunopharma	
InoBat Auto	
JP/Politiken's Forlag	
Kalera	
Kebody	
Kentech Global Plc	
Keppel FELS Limited	
Kisto's plc.	
KMC Properties	
Komplett ASA	
Komplett Bank	
Kruse Smith	
Kvitbjørn Varme	
Lakers Holding AS	
Lerøy Seafood Group	
Lumarine AS	
Maha Energy	
Malorama Holding AS	
Mathesa Bostadsbolaget AB	
Mercell	
Mime Petroleum	
Modex AS	
Mutares SE & Co. KGaA	
Müller Medien GmbH (United Vertical Media GmbH)	
Navios Maritime Acquisitions	
Navios Maritime Holdings	
Next Biometrics Group	

This overview is updated monthly (this overview is for the period 31.12.2020 – 31.12.2021).

Appendix C

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

Distribution of recommendations	
Recommendation	% distribution
Buy	71%
Hold	26%
Sell	3%

Distribution of recommendations (transactions*)	
Recommendation	% distribution
Buy	91%
Hold	9%
Sell	0%

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

This overview is updated monthly (last updated 17.01.2022).

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:

Bionvent	Josemaria Resources	Sedana Medical
Biovia International	Implantica	Studentbostäder i Norden
Cibus Nordic Real Estate AB	Isofol Medical AB	Surgical Science
Green Landscaping Group AB	Maha Energy	Vicoe Pharma
Hexatronix	Media & Games Invest plc.	VNV Global
Hexicon		

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 Dalarna Holding	Mentice AB	Surgical Science
Cibus Nordic Real Estate	Minesto	Tethys Oil
Isofol Medical	Saltängen 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 Denmark AB	Delarka	Logistri Fastighets AB
Backaheden Fastighets AB	Fleming Properties AB	Mälarsäsen AB
Bonåsudden Holding AB (publ)	Halmstätten Fastighets AB (publ)	One Publicus Fastighets AB
Borglândia Fastighets AB	Korsängen Fastighets AB (publ)	Origa Care AB (publ)
Bosjö Fastigheter AB	Krona Public Real Estate AB	Preservium 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

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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 provision of the designated sponsor services.

2G Energy *	Heidelberg Pharma *	OVB Holding AG
Biotech *	Intershop Communications AG	Procredit Holding *
CORESTATE Capital Holding S.A.	Leifheit	PSI SOFTWARE AG *
Dakdrup & Söhne	Logwin *	PWO *
Demire	Manz AG *	S&T AG *
Epigenomics AG *	MAX Automation SE	SMT Scharf AG *
Gesco *	Merkur Bank	Surteco Group *
Gerry Weber	MLP *	Szyggy AG *
GFT Technologies *	mutares	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 Modemaerke	Expres2ion Biotechnologies	Mynatic
Baywa	Gerry Weber	mutares
BB Biotech	Hypoport AG	Northern Data AG
CLIQ Digital	Intershop Communications AG	OHS SE
Dakdrup & Söhne	Leifheit	OVB Holding AG
Dermapharm Holding SE	MAX Automation SE	Siegfried Holding AG
Enapter	Merkur Bank	

This overview is updated monthly (last updated 17.01.2022).