

Tuned for further growth - Buy

Following a strong recovery in 2021 with the best results in the company history, Gesco guides for further growth of revenues (16-20% yoy) and net income (4-13% yoy). However, we got the impression, that the company's guidance might turn out to be conservative, if we do not suffer a severe economic downturn. Gesco benefits from its balanced portfolio of Hidden Champions, which is also reflected in the strong order development (Q1 2022: +23% yoy). Furthermore, the company's efficiency improvement measures show their effects more and more. Gesco's Next Level 25 strategy promises accelerated growth and value enhancement, mainly driven by acquisitions. With increased estimates and a higher TP of EUR 38 (prev. EUR 34), we continue to rate the shares a Buy.

Guidance FY 2022e

The targeted revenue range of EUR 565m to EUR 585m and the net income range of EUR 28m to EUR 30.5m is above our previous estimates. However, taking into account the ongoing strong order development as well as the convincing start to the year 2022 (Q1 revenues: +23% yoy, net income: +120% yoy), the guidance could turn out to be conservative. However, given the increasing uncertainties with regard to the general economic development as well as the outcome of the war in Ukraine, Gesco's cautious stance is understandable, from our point of view.

Next Level 25 – Significant EBIT growth acceleration ahead

Gesco targets group revenues in 2025e of EUR 1bn and an EBIT margin of 10%. This is to be achieved both organically and through acquisitions. Based on Gesco's acquisition plans, we estimate that up to EUR 300m revenues can be contributed through acquisitions. The targeted EBIT margin implies an EBIT CAGR of 22%, which is a significant acceleration compared to the past four year's development (CAGR of 7.2%).

EURm	2020	2021	2022e	2023e	2024e
Revenues	397	488	575	624	677
EBITDA	33	62	73	78	82
EBIT	17	45	54	58	62
EPS	(1.53)	2.48	2.90	3.10	3.31
EPS adj	-	-	-	-	-
DPS	-	0.98	1.15	1.25	1.35
EV/EBITDA	7.3	4.9	4.2	3.9	3.7
EV/EBIT	14.6	6.9	5.7	5.3	4.9
P/E adj	-	-	-	-	-
P/B	0.92	1.14	0.99	0.93	0.88
ROE (%)	-	11.7	12.4	12.5	12.5
Div yield (%)	-	3.8	4.8	5.2	5.6
Net debt	33	19	35	28	20

Source: Pareto Securities

Target price (EUR)	38	▲	BUY
Share price (EUR)	24	–	HOLD
		▼	SELL

Forecast changes

%	2022e	2023e	2024e
Revenues	11	14	17
EBITDA	14	14	14
EBIT adj	25	23	22
EPS reported	25	23	22
EPS adj	NM	NM	NM

Source: Pareto Securities

Ticker	GSC1N.DE, GSC1 GY
Sector	Industrials
Shares fully diluted (m)	10.8
Market cap (EURm)	259
Net debt (EURm)	35
Minority interests (EURm)	16
Enterprise value 22e (EURm)	310
Free float (%)	65

Performance



Source: FactSet

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Q4/FY 2021

Gesco's final figures for Q4/FY 2021 did not provide any surprise. The already published preliminary results were confirmed. Backed by a strong year-end business in all segments, the figures for 2021 were ahead of our estimates as well as ahead of the company's guidance. According to the company, a successful order processing and the passing on increased material prices were the main triggers.

On the earnings side, the company benefited from the strong topline development and the successful implementation of its efficiency enhancement programs. The Q4 EBIT margin of 12.3% was a new record level and way above the company's long-term target of 8-10%. In addition, a more favorable tax ratio in 2021 of 31% (2020: 46.6%) was also supportive of the net income.

Group revenues in FY 2021 increased by 23% (organic: +18% yoy) to 488m, compared to our estimate of EUR 481m and Gesco's targeted range of EUR 465m and EUR 485m. The net income in FY 2021 significantly turned positive to EUR 26.9m (2020: EUR -16.6m), well above our estimate of EUR 23.3m and the company's guidance range of EUR 22m and EUR 24m.

Review Q4/FY 2021

EUR m	Q4 2021	Actual		PAsE		2021e	PAsE	
		Q4 2020	% yoy	Q4 2021e	Deviation		2022e	2023e
Revenues	137.0	102.8	33.3%	130.2	5.2%	481	575	624
Process Technology	22.0	16.9	30.5%	19.0	15.9%			
Resource Technology	78.0	58.8	32.7%	70.4	10.9%			
Healthcare and Infrastructure Technology	37.0	26.9	37.6%	40.9	-9.6%			
EBIT	16.8	6.7	149.8%	12.7	32.0%	40.5	54.4	57.9
EBIT margin	12.3%	6.5%	572 BP	9.8%	248 BP	8.4%	9.5%	9.3%
Process Technology	4.6	1.9	138.4%	2.4	93.3%			
EBIT margin	20.7%	11.3%	936 BP	12.4%	828 BP			
Resource Technology	12.4	5.6	120.6%	9.8	25.6%			
EBIT margin	15.8%	9.5%	632 BP	14.0%	185 BP			
Healthcare and Infrastructure Technology	3.5	1.9	81.8%	3.9	-10.3%			
EBIT margin	9.3%	7.1%	227 BP	9.4%	-8 BP			
Net income	11.7	4.3	174.8%	8.1	44.1%	23.3	31.4	33.6

Source: Aurelius, Pareto Securities

Outlook for FY 2022e and beyond

Gesco's guidance is above both our previous estimates and the market consensus. The company guides revenues in the range of EUR 565m to EUR 585m and a net income in the range of EUR 28m to EUR 30.5m. The mid-point of the guidance ranges implies increases of ~18% yoy and of ~9% yoy, respectively. The guidance is backed by the highest order backlog level in recent years of EUR 209m (+50% yoy) as well as an ongoing strong development of the order intake. According to the preliminary results, order intake in Q1 2022 increased by 24% yoy to EUR 169m, resulting in a book-to-bill ratio of 1.2x.

To reflect the higher-than-expected outlook, we increased our revenue estimate for FY 2022e by 11% to EUR 575m. This implies an increase of 18% yoy or EUR 87m, of which EUR 25.5m was already achieved in Q1. According to the preliminary results, revenues in Q1 2022 were up by 23% yoy to EUR 138m. To achieve the mid-point of the revenue guidance range, Gesco has to generate an increase of revenues of EUR 62m over the course of the year, which should not be a major challenge due to the current order situation.

Review Q1 2022

EUR m	Actual			PAsE	
	Q1 2022	Q1 2021	% yoy	Q1 2022e	Deviation
Order intake	168.8	136.4	23.8%	-	-
Revenues	138.1	112.6	22.6%	124.0	11.4%
EBIT	13.4	7.4	80.0%	9.0	48.8%
EBIT margin	9.7%	6.6%	309 BP	7.3%	244 BP
Net income	8.8	4.0	120.0%	5.4	63.0%

Source: Aurelius, Pareto Securities

Gesco's guidance for the net income is ahead of our previous estimate but given the expected strong topline development and the already achieved increase in Q1, the earnings target for FY 2022e could prove to be somewhat cautious.

If we assume the EBIT increase of EUR 6m already achieved in Q1, with otherwise unchanged EBIT development in the further course of the year, we would calculate for 2022e an EBIT of EUR 50m. If we now calculate the P&L further down, we derive at a net income of EUR 31m and thus slightly ahead of Gesco's guidance.

Consequently, it can be stated that the targets for 2022 are rather cautious. If there is no significant economic slowdown and/or even further escalation of the war in Ukraine, we see potential for a guidance upgrade in the course of the year. Our increased estimate for the net income in FY 2022e is EUR 31.4m, 25% higher than our previous estimate.

Changes to our estimates

	2022e			2023e		
	Old	New	Chg.	Old	New	Chg.
Revenues	519.0	575.0	10.8%	549.0	623.9	13.6%
EBITDA	63.8	73.0	14.4%	68.0	77.6	14.1%
EBIT	43.4	54.4	25.2%	47.0	57.9	23.3%
EBT	42.1	51.6	22.5%	45.7	55.1	20.7%
Net result	25.2	31.4	24.8%	27.3	33.6	23.2%

Source: Pareto Securities

Gesco also announced medium-term targets for the first time. Within the framework of its Next Level 25 strategy, Gesco plans to achieve group revenues in 2025e of EUR 1bn and an EBIT margin of 10%. Based on the 2021 revenues of EUR 488m, this means a doubling of revenues within the next four years. Taking into account that Gesco plans to acquire a third anchor investment (revenue size of >EUR 100m) and further basic investments, we assume that up to EUR 300m revenues can be generated through acquisitions. During the Q4 conference call, the management stated that a third anchor investment can be acquired within 1-2 years. We assume that the acquisition of the basis investments can be financed by own funds.

Considering the topline development as well as Gesco continuing efficiency improvement measures, the EBIT margin target of 10% seems to be rather conservative. However, it must be taken into account that acquisitions tend to be margin dilutive. Furthermore, the margin guidance is to be understood as an average margin over all cycles, and an EBIT margin of well above 10% in a single year is not ruled out.

Assuming an EBIT in FY 2025e of EUR 100m implies an EBIT CAGR of 22%, compared to CAGR of 7.2% over the past four years. Our mid-term estimates are clearly below Gesco's targets, as we do not consider future acquisitions in our model.

Valuation

We continue to value the shares based on our DCF and peer group models. As a result of our increased estimates and higher peer group multiple, we derive a new blended TP of EUR 38 (prev.: EUR 34).

The shares are currently trading with a FY 2022e EV/EBIT of 5.8x and a P/E of 8.4x. Both multiples are significantly below their 5-years average of 12.1x and 14.5x, respectively. Based on our new TP of EUR 38, the shares are valued at a FY 2023e EV/EBIT of 7.8x and a P/E of 11.7x.

As already outlined, we have not included any acquisitions in our estimates. However, we run a blue-sky scenario in our DCF and multiple models, in order to reflect the potential impact of the inorganic growth on the share price. We assume in FY 2025e group revenues of EUR 1bn and an EBIT margin of 10% as well as a net debt/EBITDA of 1.5x. From this rough calculation we derive a theoretical TP in the range of EUR 49 to EUR 51, which would be on average ~32% above our current TP.

DCF model

EUR m	Phase I					Phase II					Phase III	
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e		
Revenues	575	624	677	724	761	795	827	855	881	903		
growth rate	17.8%	8.5%	8.5%	7.0%	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%		
EBIT	54	58	62	65	68	70	71	72	72	72		
EBIT margin	9.5%	9.3%	9.1%	9.0%	9.0%	8.8%	8.6%	8.4%	8.2%	8.0%		
Tax	-18	-19	-20	-21	-22	-23	-23	-23	-23	-23		
Tax rate	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%		
Depr. & Amort.	19	20	21	22	23	23	23	24	24	25		
% of sales	3.2%	3.1%	3.0%	3.0%	3.0%	2.9%	2.8%	2.8%	2.7%	2.7%		
Capex	-16	-17	-19	-20	-21	-22	-23	-24	-25	-25		
% of sales	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%		
Change in WC & P	-29	-16	-17	-16	-14	-14	-15	-16	-16	-16		
% of sales	5.0%	2.6%	2.6%	2.2%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%		
Free Cash Flow	10	25	26	30	34	33	33	33	32	32	550	
growth rate	nm	nm	2.6%	5.3%	13.3%	-16%	-0.9%	-0.8%	-1.1%	-1.7%	2.0%	
Present Value FCF	10	22	21	22	24	22	20	18	17	15	264	
PV Phase I		99				Risk free rate	3.00%	Targ. EQ ratio			80%	
PV Phase II		91				Premium Equity	5.00%	Beta			1.2	
PV Phase III		264				Premium Debt	2.00%	WACC			7.88%	
Enterprise value		455				Sensitivity		Growth in phase III				
- Net Debt (Cash)		38						1.0%	1.5%	2.0%	2.5%	3.0%
- Pension Provisions		12				7.09%	37.5	39.9	42.7	46.2	50.5	
- Minorities & Peripherals		12				7.48%	34.8	36.8	39.2	42.1	45.6	
+ MV of financial assets						WACC 7.88%	32.4	34.2	36.2	38.6	41.5	
- Paid-out dividends for last FY		0				8.27%	30.3	31.8	33.5	35.6	38.0	
+/- Other EV items						8.66%	28.4	29.7	31.2	32.9	35.0	
Equity value		392										
Number of shares		10.8										
Value per share (€)		36.2										
Current Price (€)		23.9										
Upside		51%										

Source: Pareto Securities

Peer group model

Company	EV/EBIT 2022e	EV/EBIT 2023e	EV/EBITDA 2022e	EV/EBITDA 2023e
Deutsche Beteiligungs AG	-25.6	6.5	6.8	5.2
INDUS Holding AG	10.1	7.2	5.7	4.5
MAX Automation SE	12.9	8.1	8.1	5.9
MBB SE	10.8	8.4	6.4	5.1
MS Industrie AG	41.1	9.9	7.5	4.1
Median	10.8	8.1	6.8	5.1
GESCO AG	5.8	5.4	4.3	4.0
relative	54.0%	66.4%	64.2%	78.5%
Fair value per share at peer median	49.8	39.8	41.2	33.1
Fair value / share (av.)	41.0			

Source: FactSet, Pareto Securities

PROFIT & LOSS (fiscal year) (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Revenues	547	580	440	397	488	575	624	677
EBITDA	57	68	44	33	62	73	78	82
Depreciation & amortisation	(24)	(26)	(21)	(17)	(18)	(19)	(20)	(21)
EBIT	34	42	23	17	45	54	58	62
Net interest	(2)	(2)	(2)	(4)	(2)	(3)	(3)	(3)
Other financial items	-	-	-	-	-	-	-	-
Profit before taxes	32	40	22	13	43	52	55	59
Taxes	(13)	(14)	(8)	(6)	(13)	(17)	(18)	(19)
Minority interest	(2)	(3)	(1)	(1)	(3)	(3)	(4)	(4)
Net profit	16	23	12	(17)	27	31	34	36
EPS reported	1.49	2.08	1.14	(1.53)	2.48	2.90	3.10	3.31
EPS adjusted	-	-	-	-	-	-	-	-
DPS	0.60	0.90	0.23	-	0.98	1.15	1.25	1.35
BALANCE SHEET (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Tangible non current assets	147	158	172	105	106	104	102	101
Other non-current assets	42	52	49	52	79	78	78	78
Other current assets	233	286	254	185	207	245	266	289
Cash & equivalents	38	29	31	49	58	41	48	55
Total assets	460	525	506	391	450	469	495	523
Total equity	226	251	250	228	256	278	298	319
Interest-bearing non-current debt	-	-	-	-	-	-	-	-
Interest-bearing current debt	-	-	-	-	-	-	-	-
Other Debt	234	275	256	163	194	191	197	204
Total liabilities & equity	460	525	506	391	450	469	495	523
CASH FLOW (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Cash earnings	26	(1)	51	108	39	(17)	26	27
Change in working capital	13	15	(13)	(48)	13	29	16	17
Cash flow from investments	(22)	(41)	(14)	(4)	(32)	(16)	(17)	(19)
Cash flow from financing	(7)	25	(1)	(78)	(6)	(11)	(13)	(14)
Net cash flow	3	(9)	2	18	8	(17)	7	7
VALUATION (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Share price (EUR end)	30.7	21.8	18.9	18.4	25.5	23.9	23.9	23.9
Number of shares end period	11	11	11	11	11	11	11	11
Net interest bearing debt	80	121	127	33	19	35	28	20
Enterprise value	429	372	346	244	307	310	306	303
EV/Sales	0.8	0.6	0.8	0.6	0.6	0.5	0.5	0.4
EV/EBITDA	7.5	5.4	7.9	7.3	4.9	4.2	3.9	3.7
EV/EBIT	12.7	8.8	14.8	14.6	6.9	5.7	5.3	4.9
P/E reported	20.6	10.5	16.5	-	10.3	8.2	7.7	7.2
P/E adjusted	-	-	-	-	-	-	-	-
P/B	1.6	1.0	0.9	0.9	1.1	1.0	0.9	0.9
FINANCIAL ANALYSIS	2017	2018	2019	2020	2021	2022e	2023e	2024e
ROE adjusted (%)	-	-	-	-	-	-	-	-
Dividend yield (%)	2.0	4.1	1.2	-	3.8	4.8	5.2	5.6
EBITDA margin (%)	10.5	11.8	10.0	8.4	12.7	12.7	12.4	12.2
EBIT margin (%)	6.2	7.3	5.3	4.2	9.1	9.5	9.3	9.1
NIBD/EBITDA	1.40	1.76	2.89	1.00	0.30	0.48	0.36	0.25
EBITDA/Net interest	-	-	-	-	-	-	-	-

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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	15,310,630	21.92%
Selvaag Bolig	4,314,865	4.60%
Sparebank 1 Nord-Norge	4,287,282	4.27%
Sparebank 1 Ringerike Hadeland	100,000	0.64%
Sparebank 1 SMN	2,036,192	1.57%
Sparebank 1 SR-Bank	1,934,632	0.76%
SpareBank 1 Østfold Akerhus	1,232,229	9.95%
SpareBank 1 Østlandet	3,833,163	3.61%
Sparebanken Møre	1,054,030	2.13%
Sparebanken Sør	433,744	2.77%
Sparebanken Vest	6,862,344	6.39%
NEXT Biometrics	710,901	0.78%
SpareBank 1 Sørøst-Norge	1,771,308	2.81%

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

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

Company	Analyst holdings*	Total holdings
AF Gruppen	0	1,825
Aker ASA	500	2,694
Aker BP	0	25,266
Aker Carbon Capture	0	4,926
Aker Clean Hydrogen	0	140,540
Aker Horizons	0	125,848
Aker Offshore Wind	0	165,118
Aprilia Bank ASA	0	22,675
ArcticZymes Technologies	0	684
Awilco LNG	0	10,000
B2Holding AS	0	10,940
Bonheur	0	32,088
Borregaard ASA	0	650
Bouvet	0	940
BRABank	0	31,499
BW Energy	0	112,660
BW Offshore	0	16,076
Cloudberry Clean Energy	0	101,750
DNB	0	49,145
DNO	0	70,258
Elkem	0	65,067
ELOP	0	130,000
Equinor	0	2,473
Europris	0	13,708
Fjordkraft Holding	0	29,763
Flex LNG	0	1,317
Frontline	0	12,190
Gaming Innovation Group	0	25,912
Gjensidige Forsikring	0	7,746
Grieg Seafood	0	8,889

Company	Analyst holdings*	Total holdings
Huddly	0	993,173
HydrogenPro	0	39,276
Kalera	0	26,752
Kitron	0	18,336
Komplett Bank	0	209,400
Kongsberg Gruppen	0	301
KWS	75	75
Leroy Seafood Group	0	39,363
Meltwater	0	30,700
Merrell	0	24,863
Mowi	0	399
MPC Container Ships	0	42,995
NEXT Biometrics	0	710,901
Nordic Semiconductor	0	5,336
Norco	0	590
Norse Atlantic	0	35,000
Norsk Hydro	0	84,189
Norske Skog	0	105,499
Northern Drilling Ltd.	0	67,919
Odjell Drilling	0	28,581
Okeanis Eco Tankers	0	1,420
Orkla	0	23,183
Panoro Energy	0	26,241
Pareto Bank	0	1,340,284
Pexip Holding	0	112,083
Protector Forsikring	0	14,000
Pryme	0	5,000
Quantafuel	0	2,797
REC Silicon	0	38,281
Salmor	0	2,799
Sandnes Sparebank	0	4,013
Scatec	0	30,474
Selvaag Bolig	0	3,093
Sparebank 1 Nord-Norge	0	3,350
Sparebank 1 SMN	0	13,490
Sparebank 1 SR-Bank	0	17,254
SpareBank 1 Østfold Akerhus	0	1,252
SpareBank 1 Østlandet	0	9,621
Sparebanken Sør	0	16,435
Sparebanken Vest	0	17,463
Sparebanken Øst	0	1,500
Stolt-Nielsen	0	1,817
Storbrand	0	39,798
Subsea 7	0	13,187
Telenor	0	13,602
TGS	0	600
Vow	0	9,331
Vow Green Metals	0	19,681
Vår Energi	0	33,829
Wallenius Wilhelmsen	0	2,000
XXL	0	20,523
Yara	0	18,737
Zaptec	0	15,000

This overview is updated monthly (last updated 19.04.2022).

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

Appendix B

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

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

Aker ASA	Sartorius-Herbst
Aker Clean Hydrogen	Seagems Norway
Aker Offshore Wind	Seajacks
Apria Bank ASA	SFL Corporation Ltd
Arca Crypto	Shamaran Petroleum
Barra mundi Group Pte. Ltd.	State European Holdings
Biomea Group AS	Smart Wireless Inc.
Bonheur	Swedencare
Boreal Holding AS	TEMPTON GmbH
BW LPG	Tier klinik Hofheim GbR
BW Offshore	Trander energi AS
Cabonline Group Holding AB	Vegfinans AS
Cavali AS	Vestby Logistikk Holding
Cloudberry Clean Energy	Viking ACQ 1 AS, SPAC
Dampskibsselskabet NORDEN A/S	Vår Energi
DLT	Waldorf Production UK Ltd
DNO	Waste Plastic Upcycling
Documaster AS	wheel.me
ELOP	Xeneta AS
Enapter AG	Ymber AS
Ensurge Micropower	ZTL Payment Solution AS
Enviv AS (Books)	
Esmailzadeh Holding	
First Camp Group AB	
Flex LNG	
FREYR Battery	
Funkwerk AG	
Global Agrarjes (Fertiberia group)	
Golar LNG	
GramCar Carriers	
Green Transition Holding	
Greentood	
Grøntvedt AS	
Hafslund Eco	
Hagal AS	
Halodi Robotics AS	
HKN Energy Ltd	
HMH Holding	
Ice Group	
Immunopharma	
InoBat Auto	
International Petroleum Corporation	
JP/Politiken's Forlag	
Kalera	
Kebony	
Kentech Global Plc	
Keppel FELS Limited	
Kistos Plc.	
KMC Properties	
Komplett ASA	
Kruse Smith	
Kvitebjørn Varme	
Laker's Holding AS	
Lerøy Seafood Group	
Lumina AS	
Malorama Holding AS	
Mathes Bostadsbolaget AB	
Mer cell	
Mime Petroleum	
Modex AS	
Navios Maritime Acquisitions	
Navios Maritime Holdings	
Nordic Halibut	
Noreco	
Norlandia Health & Care Group AS	
Norwegian Block Exchange	
Odjell Oceanwind	
Otello Corporation	
Pareto Bank	
Petronor E&P	
PHM Group	
Ping Petroleum UK Limited	
poLight	
Pronofa AS	
Protector Forsikring	
Pyrum Innovations	
Quantafuel	
Saga Robotics	

This overview is updated monthly (this overview is for the period 31.03.2021 – 31.03.2022).

Appendix C

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

Distribution of recommendations	% distribution
Buy	74%
Hold	24%
Sell	2%

Distribution of recommendations (transactions*)	% distribution
Buy	81%
Hold	19%
Sell	0%

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

This overview is updated monthly (last updated 19.04.2022).

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:

Cibus Nordic Real Estate AB	Josemaria Resources	Sedana Medical
Green Landscaping Group AB	Implantica	Studentbostäder i Norden
Hexatonic	Isotol Medical AB	Surigical Science
Hexicon	Media & Games Invest plc.	VNV Global

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

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

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

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

Aarhus Residential's Denmark AB	Delarka	Logistri Fastighets AB
Backaheden Fastighets AB	Fleming Properties AB	Mälarsen AB
Bonäsudden Holding AB (publ)	Halmslätten Fastighets AB (publ)	One Publicus Fastighets AB
Borglanda Fastighets AB	Korsängen Fastighets AB (publ)	Origa Care AB (publ)
Bosjö Fastigheter AB	Krona Public Real Estate AB	Præsarium Property AB

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

This overview is updated monthly (last updated 19.04.2022).

Appendix E

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

Designated Sponsor

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

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

* 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.

Baywa	Gerry Weber	Mynaric
BB Biotech	Hypoport AG	mutares
CLIQ Digital	Inter shop Communications AG	Northern Data AG
Daldrup & Söhne	Leifheit	OHB SE
Dermaphar m Holding SE	MAX Automation SE	OVB Holding AG
Enapter	Merkur Bank	Segfried Holding AG
Exprès2ion Biotechnologies		

This overview is updated monthly (last updated 19.04.2022).