

Well-filled M&A pipeline promises further value enhancement potential

After a year of record revenue and holding net income, Mutares targets for further growth in FY 2022e. The market environment for special situation acquisitions is favorable and the company has a well-filled pipeline of attractive M&A targets. We see significant value enhancement potential in this, as Mutares has shown, particularly in the recent past, that it can restructure companies very quickly and sell them in a value-enhancing manner. The management is very confident to acquire on average one company per month. With four portfolio companies already in the exit pipeline, the management is also confident to be able to cross the finish line on the sales side. Exit gains are expected to account for 50% of holding net income in 2022e and are also important for the payout of performance dividends. Based on the 2021 dividend (EUR 1.50 per share) Mutares had a very attractive dividend yield of 6.6%. With a new TP of EUR 33 (prev. EUR 30), we stick to our Buy rating.

FY 2022e guidance strives for further growth

Mutares also expects a significant growth in FY 2022e. Backed by further acquisitions and higher number of consultants, revenues on holding level are targeted to increase by 50% yoy to ~EUR 75m. The net income on holding level is expected to be in the range of EUR 72m to EUR 80m (PAsE: EUR 81m), compared to EUR 51m in FY 2021. In addition to the strong topline development, continued dividend income (Mutares: ~EUR 15m) from the portfolio companies and exit gains (~50% of net income) should be the driving factors here.

Well-filled M&A pipeline does no longer surprise

During its Q4 conference call, the management announced a M&A pipeline of EUR 11bn in terms of revenues. According to the management, the company is in discussions with eleven targets, which have a cumulated revenue size of EUR 1.7bn. The high number of potential targets and the large volumes no longer surprise us. Mutares has established itself in the European market for companies in special situations as a reliable and competent partner. From the statements of the management, we could gather that Mutares is close to finalize a major acquisition (estimated revenue size of ~EUR 550m).

EURm	2020	2021	2022e	2023e	2024e
Revenues	1,584	2,504	3,659	3,814	3,910
EBITDA	143	567	88	128	176
Adj. EBITDA	(29)	(41)	48	128	176
DPS	1.50	1.50	2.00	2.00	2.00
Holding KPIs					
Revenues	32	50	75	106	135
Portfolio income	67	65	90	121	150
EPS	2.16	2.46	3.91	2.71	3.42
EV/EBITDA	2.2	0.9	6.6	4.9	3.5
P/E*	6.8	9.2	5.4	7.8	6.2
ROE (%)	14.4	98.5	-	-	3.3
Div yield (%)	10.1	6.6	9.5	9.5	9.5
Net debt	345	508	613	658	650

* based on Holding EPS

Source: Pareto Securities

Target price (EUR)	33	▲	BUY
Share price (EUR)	21	—	HOLD
		▼	SELL

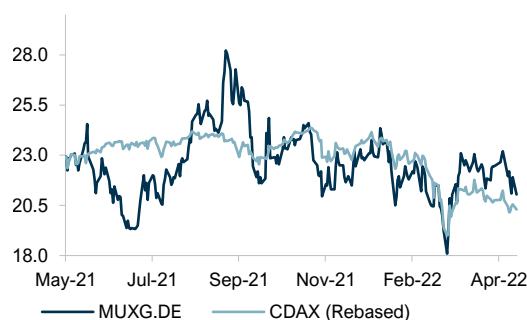
Forecast changes

%	2022e	2023e	2024e
Revenues	21	25	NM
EBITDA	(24)	9	NM
EBIT adj	NM	NM	NM
EPS reported	NM	NM	NM
EPS adj	NM	NM	NM

Source: Pareto Securities

Ticker	MUXG.DE, MUX GY
Sector	Diversified Small Caps
Shares fully diluted (m)	20.6
Market cap (EURm)	434
Net debt (EURm)	137
Minority interests (EURm)	15
Enterprise value 22e (EURm)	587
Free float (%)	65

Performance



Source: FactSet

Pareto Securities AS has been paid by the issuer to produce this research report. This material is considered by Pareto Securities to qualify as an acceptable minor non-monetary benefit according to the EU MIFID 2 directive.

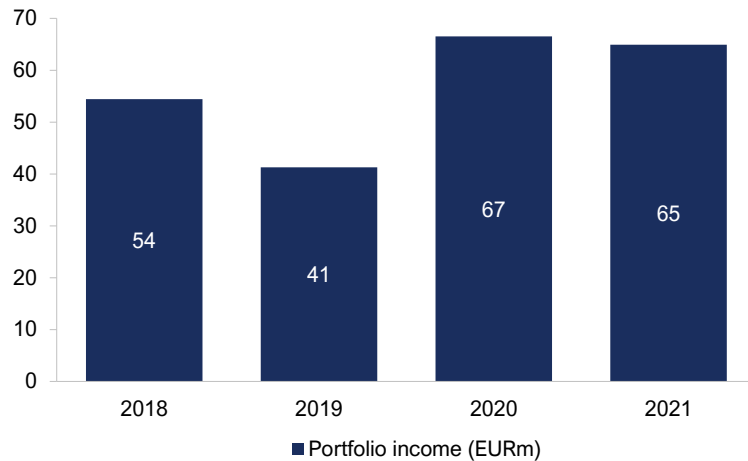
Analysts

Zafer Rüzgar
+49 69 58997 412, zafer.ruezgar@paretosec.com

Review Q4/FY 2021

Backed by its strong M&A activities, holding revenues in Q4 significantly increased by 67% yoy to EUR 14.9m. In FY 2021, holding revenues increased by 58% yoy to EUR 50.5m and is thus in line with the company's target of EUR 50m. The revenues on holding level consist of consulting fees, charged by Mutares to its portfolio companies for operational and consulting services. The number of consultants in 2021 increased to 95 from 70, also due to the increased number of portfolio companies. At the end of 2021, Mutares had 23 portfolio companies, compared to 20 in 2021.

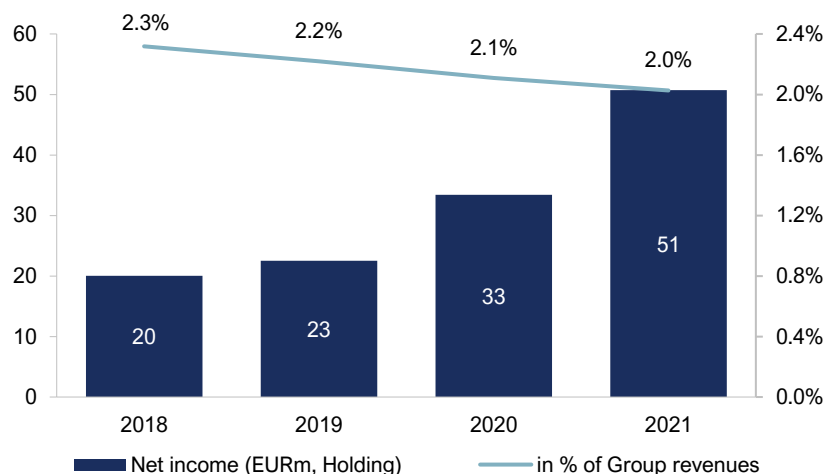
Portfolio income on holding level



Source: Mutares, Pareto Securities

Mutares' portfolio income, which in addition to the revenues also includes the dividend payments of the portfolio companies, remained stable at EUR 64.9m (2020: EUR 66.5m). However, the net income, which is decisive for the dividend payment to the shareholders, improved significantly by 52% yoy to EUR 50.7m (PAsE: EUR 50.4m). Thus, net income on holding level amounted to 2% of group revenues (EUR 2.5bn), and in-line with Mutares' long-term target.

Net income on holding level



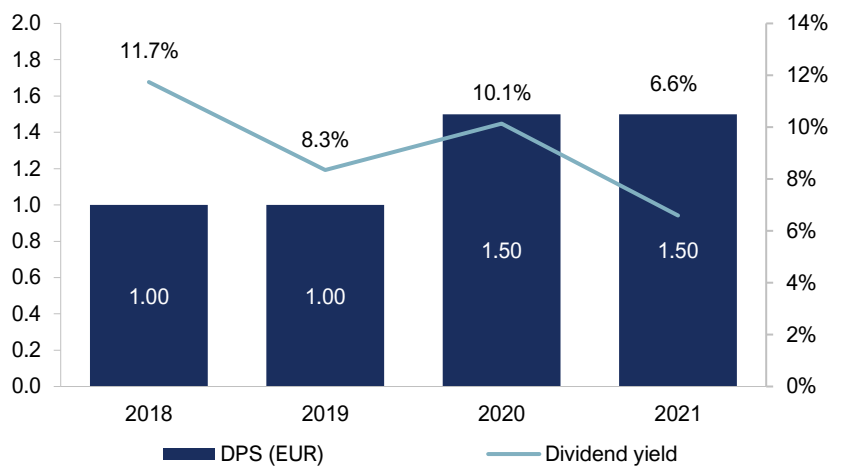
Source: Mutares, Pareto Securities

P&L figures on consolidated level were highly impacted by the brisk M&A activities, as expected. Group revenues increased by 58% yoy to EUR 2.5bn. According to our calculation, organic revenue growth was only ~2% yoy. Group reported EBITDA almost quadrupled to EUR 567m. However, this was driven by the acquisition related one-off gains (bargain purchase) in the amount of EUR 693m (2020: EUR 208m). The adj. EBITDA (excl.

bargain purchases, restructuring costs and exit gains) deteriorated to EUR -41.3m, compared to EUR -28.8m in 2020. At first glance, this can be interpreted as an operational deterioration. However, the development reflects the nature of Mutares' business model and the company's strong acquisition activities in 2021. Newly acquired companies are usually loss-making and thus burden the operating EBITDA on consolidation.

For FY 2021, Mutares intends to pay out a dividend of EUR 1.50 per share, of which 0.50 EUR per share is to be considered as a performance dividend. Bear in mind, that Mutares had sold in 2021 six portfolio companies and generated exit gains of EUR 25.6m. Benefitting from the distributions of its portfolio companies, Mutares has a continuous dividend pay-out to its shareholders with very attractive yields.

Very attractive dividend yield



Source: Mutares, Pareto Securities

Transactions so far this year

Mutares' acquisition dynamic continues at a high level. In 2022, Mutares has announced four acquisitions and is thus in line with its own target of announcing one acquisition per month.

Transactions announced in 2022 so far

Company name	HQ	Type of transaction	acquisition	Segment	Business	Revenues	Bargain purchase*
Vallourec Bearing Tubes (VBT)	France	Acquisition	Platform	Engineering & Technology	Producer of seamless high precision tubes	EUR 50m	EUR 20m
Allegheny Technologies Incorporated	UK	Acquisition	Platform	Engineering & Technology	Supplier of forged and machined products	EUR 80m	EUR 20m
Polar Frakt	Norway	Acquisition	Add-on	Goods & Services	Logistics company specializing in the transportation of goods from Oslo to northern Norway	< EUR 10m*	< EUR 10m
Siemens Energy Engines	Spain	Acquisition	Platform	Engineering & Technology	Manufacturer of gas and diesel engines	EUR 70m*	< EUR 10m

* our estimates

Source: Mutares, Pareto Securities

During the Q4 conference call, the management stated that the company is in discussions about the sale of four of its portfolio companies and expects at least one closing in the course of Q2e. More important, the management reported also that they have signed three acquisitions with a revenue size of EUR 0.7bn, and only two of them were disclosed. At that time, it is the takeovers of Vallourec Bearing Tubes and Allegheny Technologies Incorporated, with a total revenue size of EUR 130m. According to our calculation, the third acquired company, which has not yet been announced, has revenues of ~EUR 570m, and would thus be the second largest acquisition in the company's history.

In the recent past, the management has several times stated that it also intends to make larger acquisitions. The acquisition process of larger companies hardly differs from other takeovers. However, the outcome of larger acquisitions can be significantly higher, starting

from higher consulting fees to potential for dividends and value enhancement after successful restructuring. Mutares is known for limiting risks, therefore we do not necessarily expect a major acquisition to pose greater risks for the company. Nevertheless, the capital contribution for such an acquisition is expected to be higher.

Guidance FY 2022e

Mutares' outlook for FY 2022e assumes a continuation of the growth trend and further earnings improvement on holding level. The mid-point of the net income implies a significant growth of ~58% yoy.

More important, as it was already the case in 2021, exit gains are expected to account for 50% of the net income or approximately EUR 40m in the mid-point and reflect the confidence of Mutares in its exit pipeline. Assuming a similar pay-out ratio as in the previous year, the dividend for 2022e could be at or even above EUR 2 per share, for the first time.

We estimate for FY 2022e a holding net income of EUR 80.6m. However, in line with the company's expectations we assume EUR 15m contribution from dividends and ~EUR 40m from exit gains. Therefore, in particular, a failure to realize the expected exits and the related gains is likely to lead to a significant deviation from our estimate.

Due to the fact that it is hard to predict which portfolio company will be sold at what terms and at what time, we do not assume any potential impacts from this on our estimates on consolidated/group level. The estimated decline for the holding net income in FY 2023e to EUR 56m is due to lack of any exit gain assumptions. If we would assume the same amount from exit gains of EUR 40m as in 2022e, we would end up with a holding net income estimate of EUR 96m, implying an increase of ~19% yoy.

Mutares' guidance vs. our estimates

EUR m	Actual 2021	Guidance 2022	PASe 2022e	Guidance 2023	PASe 2023e
Revenues	2,504	>EUR 4bn	3,659	>EUR 5bn	3,814
EBITDA	566.5	Stable	88	-	128
EBITDA margin	22.6%		2.4%		3.3%
Adjusted EBITDA	-41.3	Improvement	48	-	128
Adjusted EBITDA margin	neg.		1.3%		3.3%
Holding level					
Revenues	50	c.EUR 75m	75	EUR 100m	106
# of consultants	95	+40-50 yoy	140	anzahl	185
Portfolio income	65	EUR 80-100m	90	EUR 115m	121
Dividends	14	EUR 15m	15	EUR 15m	15
Net income	51	EUR 72-88m	81	EUR 100m	56
in % of Group revenues	2.0%	1.8%-2.2%	2.2%	1.8%-2.2%	1.5%

Source: Mutares, Pareto Securities

As a result of the well-filled pipeline of acquisition targets (revenue size EUR 11bn, thereof EUR 1.7bn from a hotlist of 11 targets), Mutares targets to increase the number of its consultants in 2022e by 40-50. This in turn will lead to quite well predictable revenues (consulting fees) on holding level, which are forecasted to be at EUR 75m, 50% higher than in 2021.

On consolidated level, Mutares targets group revenues of more than EUR 4bn. According to the CFO, the company's portfolio per end of FY 2021 has an annualized revenue size of approximately EUR 3.5bn. Taking into account the already signed acquisitions and related revenues of more than EUR 700m, the revenue target is not ambitious, even if exits are expected that will reduce revenues.

Valuation

We continue to value the shares based on our SOTP valuation, where we apply EV/EBITDA and EV/Sales multiples on the different lifecycle stages of Mutares' portfolio.

SOTP model

EURm		
Adj. EBITDA of "Harvesting" companies in FY 2022e	60	
EV of "Harvesting" companies	418	x7
Adj. EBITDA of "Optimization" companies in FY 2022e	34	
EV of "Optimization" companies	137	x4
Rest of portfolio		
Revenues of "Realignment" companies	1,093	
EV of "Realignment" companies	219	x0.2
Consolidated EV	774	
Net debt as of 31/12/2022, adj. for dividend payments	252	
Equity Value	521	
# shares in m	20.6	
Fair value per share	25.26	

Source: Pareto Securities

However, as we focus now more on the holding figures, we now use also a peer group model. The figures on holding level are not affected by the acquisition related one-time effects and provide a proper picture of the operating development of the company, as it reflects the portfolio companies related income stream and exits gains.

We use a peer group of European private equity and investment holding companies. From the average of the P/E, EV/EBITDA and EV/Sales for 2022e and 2023e, we derive a fair value of EUR 41 per share.

Peer group model

Company	Currency	MarketCap	PE 2022e	PE 2023e	EV/EBITDA 2022e	EV/EBITDA 2023e	EV/Sales 2022e	EV/Sales 2023e
AURELIUS Equity Opportunities SE & Co. KGaA	EUR	719	8.7	8.5	3.3	3.4	0.3	0.3
EQT AB	SEK	275,390	30.6	20.2	25.6	15.2	15.2	9.6
Bridgepoint Group Plc	GBP	2,521	23.6	17.3	17.9	13.2	7.9	6.5
Deutsche Beteiligungs AG	EUR	547	-30.5	6.9	17.1	5.2	4.5	4.1
Partners Group Holding AG	CHF	26,936	23.8	20.8	19.3	16.3	12.5	10.8
Median			23.6	17.3	17.9	13.2	7.9	6.5
Mutares Holding			5.4	7.8	16.9	10.9	6.3	4.5
relative			22.8%	44.8%	94.5%	82.8%	79.5%	68.6%
Fair value per share at peer median			92.3	46.9	22.4	25.8	27.0	31.6
Fair value / share (average)			41.0					

Source: FactSet, Pareto Securities

From the average value of the results of both valuation methods, we derive a new TP of EUR 33 (prev. EUR 30), which implies a significant upside potential of 57%. At our new TP of EUR 33, we shares are valued at a FY 2023e P/E of 12.2x (based on holding EPS).

PROFIT & LOSS (fiscal year) (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Revenues	900	865	1,016	1,584	2,504	3,659	3,814	3,910
EBITDA	67	49	79	143	567	88	128	176
Depreciation & amortisation	(27)	(30)	(53)	(102)	(119)	(129)	(135)	(138)
EBIT	40	19	26	41	447	(41)	(7)	38
Net interest	(5)	(5)	(10)	(24)	(19)	(22)	(21)	(20)
Other financial items	-	-	-	-	-	-	-	-
Profit before taxes	36	15	17	17	429	(63)	(28)	18
Taxes	8	(3)	-	3	14	-	-	-
Minority interest	0	3	4	(7)	(7)	-	-	-
Net profit	44	15	21	27	449	(63)	(28)	18
EPS reported	2.85	0.96	1.36	1.79	26.83	(3.03)	(1.34)	0.88
EPS adjusted	2.85	0.96	(1.91)	(6.13)	1.40	(4.39)	(1.34)	0.88
DPS	-	1.00	1.00	1.50	1.50	2.00	2.00	2.00
BALANCE SHEET (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Tangible non current assets	171	133	176	243	557	495	480	464
Other non-current assets	56	67	234	261	453	453	453	453
Other current assets	347	323	358	678	1,296	1,483	1,495	1,492
Cash & equivalents	99	108	80	145	255	150	105	113
Total assets	673	631	849	1,327	2,560	2,581	2,532	2,522
Total equity	166	208	208	207	736	643	574	551
Interest-bearing non-current debt	124	93	78	116	146	287	287	287
Interest-bearing current debt	-	-	-	110	141	-	-	-
Other Debt	384	330	562	895	1,537	1,651	1,671	1,684
Total liabilities & equity	673	631	849	1,327	2,560	2,581	2,532	2,522
CASH FLOW (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Cash earnings	(72)	26	6	(134)	(230)	(154)	53	116
Change in working capital	39	(39)	(17)	91	127	103	19	11
Cash flow from investments	24	(3)	44	51	172	(23)	(76)	(78)
Cash flow from financing	35	23	(63)	58	48	(31)	(41)	(41)
Net cash flow	36	9	(28)	66	110	(105)	(45)	8
VALUATION (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Share price (EUR end)	15.1	8.5	12.0	14.8	22.8	21.1	21.1	21.1
Number of shares end period	15	15	15	15	21	21	21	21
Net interest bearing debt	25	(16)	(2)	80	32	137	182	174
Enterprise value	257	143	205	319	517	587	632	624
EV/Sales	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
EV/EBITDA	3.8	2.9	2.6	2.2	0.9	6.6	4.9	3.5
EV/EBIT	6.4	7.3	7.8	7.8	1.2	-	-	16.5
P/E reported	5.3	8.9	8.8	8.3	0.8	-	-	23.9
P/E adjusted	5.3	8.9	-	-	16.2	-	-	23.9
P/B	1.4	0.7	1.0	1.2	0.7	0.7	0.8	0.8
FINANCIAL ANALYSIS	2017	2018	2019	2020	2021	2022e	2023e	2024e
ROE adjusted (%)	39.8	7.9	-	-	5.0	-	-	3.2
Dividend yield (%)	-	11.7	8.3	10.1	6.6	9.5	9.5	9.5
EBITDA margin (%)	7.5	5.7	7.8	9.0	22.6	2.4	3.3	4.5
EBIT margin (%)	4.4	2.2	2.6	2.6	17.9	-	-	1.0
NIBD/EBITDA	0.37	(0.32)	(0.02)	0.56	0.06	1.55	1.43	0.99
EBITDA/Net interest	-	0.98	0.80	-	-	2.23	6.17	8.93

Disclaimer and legal disclosures

Origin of the publication or report

This publication or report originates from Pareto Securities AS, reg. no. 956 632 374 (Norway), Pareto Securities AS, Frankfurt branch, reg. no. DE 320 965 513 / HR B 109177 (Germany) or Pareto Securities AB, reg. no. 556206-8956 (Sweden) (together the Group Companies or the "Pareto Securities Group") acting through their common unit Pareto Securities Research. The Group Companies are supervised by the Financial Supervisory Authority of their respective home countries.

Content of the publication or report

This publication or report has been prepared solely by Pareto Securities Research.

Opinions or suggestions from Pareto Securities Research may deviate from recommendations or opinions presented by other departments or companies in the Pareto Securities Group. The reason may typically be the result of differing time horizons, methodologies, contexts or other factors.

Sponsored research

Please note that if this report is labelled as "sponsored research" on the front page, Pareto Securities has entered into an agreement with the company about the preparation of research reports and receives compensation from the company for this service. Sponsored research is prepared by the Research Department of Pareto Securities without any instruction rights by the company. Sponsored research is however commissioned for and paid by the company and such material is considered by Pareto Securities to qualify as an acceptable minor non-monetary benefit according to the EU MiFID II Directive.

Basis and methods for assessment

Opinions and price targets are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioral technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts, price targets and projections in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the publication or report, provided that the relevant company/issuer is treated as new in such later versions of the publication or report.

Pareto Securities Research may provide credit research with more specific price targets based on different valuation methods, including the analysis of key credit ratios and other factors describing the securities creditworthiness, peer group analysis of securities with similar creditworthiness and different DCF-valuations. All descriptions of loan agreement structures and loan agreement features are obtained from sources which Pareto Securities Research believes to be reliable, but Pareto Securities Research does not represent or warrant their accuracy. Be aware that investors should go through the specific complete loan agreement before investing in any bonds and not base an investment decision based solely on information contained in this publication or report.

Pareto Securities Research has no fixed schedule for updating publications or reports.

Unless otherwise stated on the first page, the publication or report has not been reviewed by the issuer before dissemination. In instances where all or part of a report is presented to the issuer prior to publication, the purpose is to ensure that facts are correct.

Validity of the publication or report

All opinions and estimates in this publication or report are, regardless of source, given in good faith and may only be valid as of the stated date of this publication or report and are subject to change without notice.

No individual investment or tax advice

The publication or report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This publication or report has been prepared by Pareto Securities Research as general information for private use of investors to whom the publication or report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this publication or report, we recommend consulting your financial advisor.

The information contained in this publication or report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources

This publication or report may be based on or contain information, such as opinions, recommendations, estimates, price targets and valuations which emanate from Pareto Securities Research' analysts or representatives, publicly available information, information from other units or companies in the Group Companies, or other named sources.

To the extent this publication or report is based on or contains information emanating from other sources ("Other Sources") than Pareto Securities Research ("External Information"), Pareto Securities Research has deemed the Other Sources to be reliable but neither the companies in the Pareto Securities Group, others associated or affiliated with said companies nor any other person, guarantee the accuracy, adequacy or completeness of the External Information.

Ratings

Equity ratings:

"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

Analysts Certification

The research analyst(s) whose name(s) appear on research reports prepared by Pareto Securities Research certify that: (i) all of the views expressed in the research report accurately reflect their personal views about the subject security or issuer, and (ii) no part of the research analysts' compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analysts in research reports that are prepared by Pareto Securities Research.

The research analysts whose names appears on research reports prepared by Pareto Securities Research received compensation that is based upon various factors including Pareto Securities' total revenues, a portion of which are generated by Pareto Securities' investment banking activities.

Limitation of liability

Pareto Securities Group or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this publication or report. In no event will entities of the Pareto Securities Group or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages resulting from the information in this publication or report.

Neither the information nor any opinion which may be expressed herein constitutes a solicitation by Pareto Securities Research of purchase or sale of any securities nor does it constitute a solicitation to any person in any jurisdiction where solicitation would be unlawful. All information contained in this research report has been compiled from sources believed to be reliable. However, no representation or warranty, express or implied, is made with respect to the completeness or accuracy of its contents, and it is not to be relied upon as authoritative.

Risk information

The risk of investing in certain financial instruments, including those mentioned in this document, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest

Companies in the Pareto Securities Group, affiliates or staff of companies in the Pareto Securities Group, may perform services for, solicit business from, make a market in, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report. In addition Pareto Securities Group, or affiliates, may from time to time have a broking, advisory or other relationship with a company which is the subject of or referred to in the relevant Research, including acting as that company's official or sponsoring broker and providing investment banking or other financial services. It is the policy of Pareto to seek to act as corporate adviser or broker to some of the companies which are covered by Pareto Securities Research. Accordingly companies covered in any Research may be the subject of marketing initiatives by the Investment Banking Department.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Pareto Securities Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of the Group Companies and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Pareto Securities Research that no link exists between revenues from capital markets activities and individual analyst remuneration. The Group Companies are members of national stockbrokers' associations in each of the countries in which the Group Companies have their head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Pareto Securities Conflict of Interest Policy.

The guidelines in the policy include rules and measures aimed at achieving a sufficient degree of independence between various departments, business areas and sub-business areas within the Pareto Securities Group in order to, as far as possible, avoid conflicts of interest from arising between such departments, business areas and sub-business areas as well as their customers. One purpose of such measures is to restrict the flow of information between certain business areas and sub-business areas within the Pareto Securities Group, where conflicts of interest may arise and to safeguard the impartialness of the employees. For example, the Investment Banking departments and certain other departments included in the Pareto Securities Group are surrounded by arrangements, so-called Chinese Walls, to restrict the flows of sensitive information from such departments. The internal guidelines also include, without limitation, rules aimed at securing the impartialness of, e.g., analysts working in the Pareto Securities Research departments, restrictions with regard to the remuneration paid to such analysts, requirements with respect to the independence of analysts from other departments within the Pareto Securities Group rules concerning contacts with covered companies and rules concerning personal account trading carried out by analysts.

Distribution restriction

The securities referred to in this publication or report may not be eligible for sale in some jurisdictions and persons into whose possession this document comes should inform themselves about and observe any such restrictions. This publication or report is not intended for and must not be distributed to private customers in the US, or retail clients in the United Kingdom, as defined by the Financial Conduct Authority (FCA).

This research is only intended for and may only be distributed to institutional investors in the United States and U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Pareto Securities Inc. at 150 East 52nd Street, New York, NY 10022, Tel. 212 829 4200.

Pareto Securities Inc. is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of FINRA & SIPC. U.S. To the extent required by applicable U.S. laws and regulations, Pareto Securities Inc. accepts responsibility for the contents of this publication. Investment products provided by or through Pareto Securities Inc. or Pareto Securities Research are not FDIC insured, may lose value and are not guaranteed by Pareto Securities Inc. or Pareto Securities Research. Investing in non-U.S. securities may entail certain risks. This document does not constitute or form part of any offer for sale or subscription, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements. The information available about non-U.S. companies may be limited, and non-U.S. companies are generally not subject to the same uniform auditing and reporting standards as U.S. companies. Market rules, conventions and practices may differ from U.S. markets, adding to transaction costs or causing delays in the purchase or sale of securities. Securities of some non-U.S. companies may not be as liquid as securities of comparable U.S. companies. Fluctuations in the values of national currencies, as well as the potential for governmental restrictions on currency movements, can significantly erode principal and investment returns.

Pareto Securities Research may have material conflicts of interest related to the production or distribution of this research report which, with regard to Pareto Securities Research, are disclosed herein.

Distribution in Singapore

Pareto Securities Pte Ltd holds a Capital Markets Services License is an exempt financial advisor under Financial Advisers Act, Chapter 110 ("FAA") of Singapore and a subsidiary of Pareto Securities AS.

This report is directed solely to persons who qualify as "accredited investors", "expert investors" and "institutional investors" as defined in section 4A(1) Securities and Futures Act, Chapter 289 ("SFA") of Singapore. This report is intended for general circulation amongst such investors and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. You should seek advice from a financial adviser regarding the suitability of any product referred to in this report, taking into account your specific financial objectives, financial situation or particular needs before making a commitment to purchase any such product. Please contact Pareto Securities Pte Ltd, 16 Collyer Quay, # 27-02 Income at Raffles, Singapore 049318, at +65 6408 9800 in matters arising from, or in connection with this report.

Additional provisions on Recommendations distributed in the Canada

Canadian recipients of this research report are advised that this research report is not, and under no circumstances is it to be construed as an offer to sell or a solicitation of or an offer to buy any securities that may be described herein. This research report is not, and under no circumstances is it to be construed as, a prospectus, offering memorandum, advertisement or a public offering in Canada of such securities. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this research report or the merits of any securities described or discussed herein and any representation to the contrary is an offence. Any securities described or discussed within this research report may only be distributed in Canada in accordance with applicable provincial and territorial securities laws. Any offer or sale in Canada of the securities described or discussed herein will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that Pareto Securities AS, its affiliates and its authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.

Distribution in United Kingdom

This publication is issued for the benefit of persons who qualify as eligible counterparties or professional clients and should be made available only to such persons and is exempt from the restriction on financial promotion in s21 of the Financial Services and Markets Act 2000 in reliance on provision in the FPO.

Copyright

This publication or report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws. Any infringement of Pareto Securities Research's copyright can be pursued legally whereby the infringer will be held liable for any and all losses and expenses incurred by the infringement.

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 Sør-øst-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
MerCell	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	Trønderenergi 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)	
Esmailizadeh 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	
Kvitbjørn Varme	
Laker's Holding AS	
Lerøy Sealood Group	
Lumina AS	
Malorama Holding AS	
Mathsa 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	Isol Medical AB	Surgical 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	Surgical Science
Cibus Nordic Real Estate	Minesto	Tethys Oil
Isol Medical	Sällängen Property Invest	Vostok Emerging Finance
Logistri Fastighets AB	SciBase Holding	
Magnolia Bostad	Sedana Medical	

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

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

Aarhus Residential's Denmark AB	Delarka	Logistri Fastighets AB
Backaheden Fastighets AB	Fleming Properties AB	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 *
Ger ry 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	Ger ry 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	Mer kur Bank	Segfried Holding AG
Expr es2ion Biotechnologies		

This overview is updated monthly (last updated 19.04.2022).