



The 2021 targets are still realistic

In Q2, S&T was negatively impacted by the chip crisis as some orders could not be shipped and S&T needed to accept price increases. In addition, it looks increasingly tough for S&T to deliver on its acquisition goals due to high valuations of potential targets. Notwithstanding, we think that S&T's objectives for 2021 are still achievable, as long as the current chip shortage does not escalate. We remain buyers of the share, PT EUR 30.

S&T is impacted by the chip shortage

Although Q2 numbers met consensus expectations, S&T was negatively impacted by the chip crisis. Orders worth EUR 38m could not be shipped in the quarter. Also, S&T needed to accept price increases of ~6% (=EUR 4m impact) in Q2 to mitigate the supply shortage. In addition, it looks increasingly tough for S&T to execute on its acquisition strategy as prices of many potential targets are too high in the meantime.

2021 targets still in reach

Notwithstanding, we think that S&T's objectives for 2021, i.e. revenues of at least EUR 1,400 m and EBITDA of at least EUR 140m, are still realistic, as long as the current chip shortage does not escalate. S&T needs to realize 6% organic growth and some minor acquisitions in H2 to deliver on that goal, provided there is no further headwind from the USD.

Still substantial upside for the share

Although S&T faces some challenges in the remainder of the year, our DCF still indicates substantial upside for the share, supported by additional valuation metrics. We remain buyers, PT EUR 30.

EURm	2019	2020	2021e	2022e	2023e
Revenues	1,123	1,255	1,401	1,635	1,883
EBITDA	112	130	141	172	207
EBIT	62	68	78	106	126
EPS	0.74	0.85	0.91	1.26	1.50
EPS adj	0.74	0.85	0.91	1.26	1.50
DPS	-	0.30	0.32	0.44	0.53
EV/EBITDA	12.4	9.5	8.7	7.4	6.2
EV/EBIT	22.4	18.0	15.7	11.9	10.2
P/E adj	28.6	22.6	21.4	15.5	13.0
P/B	3.76	3.09	2.84	2.50	2.20
ROE (%)	13.5	14.3	13.9	17.2	18.0
Div yield (%)	-	1.6	1.6	2.3	2.7
Net debt	(30)	(20)	(32)	1	21

Source: Pareto

Target price (EUR)	30
Share price (EUR)	19

Forecast changes	2021e	2022e	2023e
%			
Revenues	(4)	(4)	(1)
EBITDA	(4)	(4)	(1)
EBIT adj	(6)	(2)	(2)
EPS reported	(7)	(3)	(2)
EPS adj	(7)	(3)	(2)

Source: Pareto

Ticker	SANT1.DE, SANT GY
Sector	Hardware & Equipment
Shares fully diluted (m)	64.6
Market cap (EURm)	1,258
Net debt (EURm)	-32
Minority interests (EURm)	4
Enterprise value 21e (EURm)	1,230
Free float (%)	68

Performance



Source: Factset

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Wrap-up Q2 numbers

Exhibit 1: Q2

S&T AG		Q2 2020	Actual Q2 2021	yoy (%)	Consensus Q2 2021	Delta (%)
Revenues	EURm	269	307	14	308	-0.5
IT Services	"	114	137	20		
IoT Solutions Europe	"	157	181	15		
IoT Solutions America	"	36	28	-23		
Gross profit margin	"	103.8 38.6%	117.0 38.2%	12.7 -47 bps	121.0 39.3%	-3.3
EBITDA margin	"	27.0 10.1%	30.1 9.8%	11.5 -23 bps	29.8 9.7%	1.0
IT Services	"	9.7	13.1	35		
IoT Solutions Europe	"	16.1	16.1	0		
IoT Solutions America	"	1.2	0.9	-25		
EBIT margin	EURm %	13.1 4.9%	13.9 4.5%	6.1 -34 bps	14.9 5.2%	-6.7 -69 bps

Source: Pareto Securities Research

Q2 figures were bang in-line with consensus regarding revenues and EBITDA, but a little bit behind regarding EBIT, probably due to the higher depreciation than in Q1. The gross margin was also a bit down y/y. This is attributable to the chip crisis in our view, which impacted Q2 negatively overall, especially the IoT segments. S&T said that EUR 38m of sales could not be realized in Q2 due to the chip shortage and is investing into new supply chains or even into the adaption of products. Also, S&T has accepted price increases of ~6% (=EUR 4m impact) in Q2 to mitigate the supply shortage. Most of these price increases can be passed to customers that esteem the customized product offering of S&T, but the company believes the topic will still cost S&T EUR 3m on the EBITDA level in 2021. Moreover, the problem will also lead to higher than usual inventories.

The good news is that the chip shortage mainly relates to cheaper chips typically used by the car industry, as chip producers give products with a higher value added a higher priority. Second, the functions of some simpler chips can be partly emulated by software, we understand. S&T thinks the shortage will be fully remedied in H1 2023 as a couple of large chip producers such as TSMC and Intel have announced capacity additions. If this turns out to be too optimistic, S&T has the means to work around these problems, albeit at higher production costs, we think.

Segment-wise, IoT Solutions Americas did not have a great Q2. Aside from the aforementioned supply chain problems, the sluggish aviation sector and the USD weighed on quarterly results. As a reaction, S&T has initiated a 10% cost reduction program to counter the expected y/y decrease of revenues. Notwithstanding, S&T believes that the segment has the potential to catch up with IoT Europe in the mid-term, not least because S&T's US-based competitors were better off than S&T in H1.

In contrast, IT Service posted good numbers, even though growth was partially supported by the first-time consolidation of Citycomp, which contributed revenues of EUR 9m in Q2 2021. According to S&T, IT Service performed well in Poland and also profited from a higher share of IoT related products in Q2. S&T said in the analyst call, that the planned concentration of the group on IoT related businesses will be accelerated and should be executed before 2025. Accordingly,

S&T has begun to carve out the “pure” IT Service business units without any reference to IoT, that will remain with S&T.

The order entry was at similar levels as in Q1 at EUR 406m, clearly surpassing revenues (book-to-bill 1.3x). The backlog now stands at EUR 1.1bn. According to S&T, double ordering is not a topic, and S&T does not expect higher than usual cancellations. Maybe the order volume will dip temporarily because of some de-stocking at some point in time, potentially at the end of 2022.

S&T said that it will probably go for less M&A than initially expected due to high valuations in the market. For 2021, one can expect the acquisition of revenues of EUR 40-50m. As S&T expects prices to drop next year, it anticipates acquiring companies with cumulated revenues of EUR 150m in 2022 and 2023 each. If these targets cannot be met, S&T will consider the cancellation of shares acquired in the current share repurchase, but this is clearly not S&T’s first choice.

Estimates update

Exhibit 2: Updated estimates

Profit & Loss	2014	2015	2016	2017	2018	2019	2020	2021e	2022e	2023e	2024e
Revenue	386	468	504	882	991	1,123	1,255	1,401	1,635	1,883	2,096
% yoy	14.1%	21.4%	7.6%	75.1%	12.3%	13.3%	11.7%	11.6%	16.7%	15.2%	11.3%
EBITDA	23	28	34	68	91	112	130	141	172	207	231
% of sales	5.9%	6.1%	6.8%	7.7%	9.1%	9.9%	9.6%	10.1%	10.5%	11.0%	11.0%
EBIT	17	21	24	42	62	62	69	78	106	126	136
% of sales	4.3%	4.4%	4.8%	4.7%	6.2%	5.5%	5.5%	5.6%	6.5%	6.7%	6.5%
Pretax Profit	15	18	20	35	56	54	61	69	97	117	127
% of sales	3.8%	3.9%	4.0%	4.0%	5.7%	4.8%	4.8%	4.9%	5.9%	6.2%	6.1%
Net Profit	13	16	15	23	45	49	56	59	81	97	102
% of sales	3.4%	3.4%	2.9%	2.6%	4.5%	4.4%	4.4%	4.2%	5.0%	5.1%	4.9%
EPS	0.32	0.36	0.33	0.43	0.70	0.74	0.86	0.91	1.26	1.50	1.58
% yoy	5.8%	14.8%	-8.9%	30.8%	61.3%	6.4%	15.0%	6.2%	38.4%	19.2%	5.8%
DPS	0.07	0.08	0.10	0.13	0.16	0.00	0.30	0.32	0.44	0.53	0.56
Payout ratio	22%	22%	30%	30%	23%	0%	35%	35%	35%	35%	35%

Source: S&T, Pareto Securities Research

Despite the chip crisis and the lower than expected M&A activity, S&T confirmed the targets for 2021, namely revenues of at least EUR 1,400 m and EBITDA of at least EUR 140m. Also, the medium-term target for 2023 of EUR 2 bn in revenues with EBITDA of at least EUR 220m were confirmed.

Regarding 2021, this means that S&T will need to realize revenues of EUR 800m in the second half of the year. Taking into account EUR 27m of newly consolidated revenues from acquisitions that have already been closed and EUR 15m that might come from acquisitions that are yet to be announced (assuming the acquisition of annualized revenues as high as EUR 45m, consolidated for 4 months), this means that (organic) revenues are expected to reach around EUR 758m. This compares with revenues of EUR 716m realized in the 2nd half of 2020 and implies around 6% organic growth in H2, if we assume there is no further headwind from the USD in H2. Overall, this looks clearly achievable, in our view, especially considering that revenues of EUR 38m in Q2 could not be shipped. This means (1) that organic growth would have approached 18% instead the reported 4% if there had been no chip shortage and there is (2) additional organic revenue potential in H2, provided there is no aggravation of the chip crisis in H2. So, 6% organic growth and a little bit more than EUR 40m from portfolio additions is our base case scenario for H2 2021, which should allow S&T to meet its 2021 guidance.

For 2022, 2023 and 2024, we expect S&T to realize organic growth of 6% p.a. and to acquire revenues as high as EUR 150m, EUR 150m and EUR 100m, respectively. Due to the frequent acquisitions, we think the upside potential for the margin is limited and we expect the EBITDA margin to approach "only" 11% in the foreseeable future. In total, we arrive at the P&L depicted above.

Exhibit 3: Changes to our estimates

S&T AG		2021e			2022e			2023e		
		Old	New	Delta	Old	New	Delta	Old	New	Delta
Revenues	EURm	1,467	1,401	-5%	1,702	1,635	-4%	1,904	1,883	-1%
EBITDA	"	148	141	-5%	179	172	-4%	209	207	-1%
EBIT	"	84	78	-7%	108	106	-2%	129	126	-2%
Net result	"	64	59	-8%	84	81	-3%	99	97	-3%
EPS	EUR	0.98	0.91	-8%	1.29	1.26	-3%	1.53	1.50	-2%

Source: Pareto Securities Research

This means that even though S&T's 2023 targets (EUR 2bn revenues, EUR 220m EBITDA) look ambitious from today's perspective, it is for sure in reach for the company but clearly dependent on the exact magnitude of future M&A activities. Please find above the changes to our estimates and the comparison of our numbers with the consensus in the table below.

Exhibit 4: Pareto vs. Factset consensus

	2021e			2022e			2023e		
	Pareto	Cons.	Delta	Pareto	Cons.	Delta	Pareto	Cons.	Delta
Revenues	1,400.5	1,434.9	-2.4%	1,634.6	1,593.7	2.6%	1,882.6	1,732.8	8.6%
Gross profit	546.2	547.6	-0.3%	653.8	615.4	6.2%	753.1	671.5	12.1%
EBITDA	141.5	145.0	-2.5%	171.6	168.2	2.0%	207.1	189.1	9.5%

Source: Factset, Pareto Securities Research

Valuation update

Exhibit 5: DCF

EUR m	Phase I					Phase II					Phase III
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
Revenues	1,401	1,635	1,883	2,096	2,221	2,343	2,461	2,571	2,674	2,768	
<i>growth rate</i>	12%	17%	15%	11%	6%	6%	5%	5%	4%	4%	
EBITDA	141	172	207	231	244	258	271	283	294	304	
<i>EBITDA margin</i>	10.1%	10.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	
Depr. & Amort. (FA)	42	41	53	63	68	77	76	75	71	66	
<i>% of sales</i>	3.0%	2.5%	2.8%	3.0%	3.1%	3.3%	3.1%	2.9%	2.6%	2.4%	
Depr. & Amort. (RoU)	21	25	28	31	33	35	37	39	40	42	
<i>% of sales</i>	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
EBIT	78	106	126	136	143	145	157	170	183	197	
<i>EBIT margin</i>	5.6%	6.5%	6.7%	6.5%	6.4%	6.2%	6.4%	6.6%	6.9%	7.1%	
Tax	(13)	(18)	(23)	(27)	(29)	(29)	(31)	(34)	(37)	(39)	
<i>Tax rate</i>	16%	17%	18%	20%	20%	20%	20%	20%	20%	20%	
Capex	(34)	(41)	(47)	(52)	(56)	(59)	(62)	(64)	(67)	(69)	
<i>% of sales</i>	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Acquisitions (ex NWC)	(7)	(72)	(72)	(48)	0	0	0	0	0	0	
<i>% of sales</i>	0.5%	4.4%	3.8%	2.3%	0.0%	1.3%	1.9%	2.2%	2.3%	8.5%	
Change in WC & P	(28)	(22)	(22)	(26)	(15)	(16)	(17)	(17)	(18)	(19)	
<i>% of sales</i>	2.0%	1.4%	1.1%	1.2%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	
Free Cash Flow	39	(6)	16	46	112	119	124	129	132	136	2,967
<i>growth rate</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	6%	4%	4%	3%	2%	3%
Present Value FCF	38	(5)	13	36	81	80	77	74	71	68	1,478

PV Phase I	163	Risk free rate	3.5%	Targ. equity ratio	85%
PV Phase II	370	Premium Equity	5.0%	Beta	1.0
PV Phase III	1,478	Premium Debt	0.5%	WACC	7.7%

Enterprise value	2,011	Sensitivity	Growth in phase III					
			2.0%	2.5%	3.0%	3.5%	4.0%	
- Net debt (cash)	(20)							
- Pension provisions	10	6.9%	30.4	33.1	36.6	41.0	46.9	
- Minorities & Peripherals	5	7.3%	27.8	30.1	32.9	36.4	41.0	
- Leasing liabilities	69	WACC 7.7%	30.4	27.5	29.8	32.7	36.3	
- Paid-out dividends for last FY	19	8.1%	23.7	25.3	27.2	29.5	32.5	
+/- Other EV items	0	8.5%	22.0	23.4	25.0	26.9	29.3	

Equity value	1,927
Number of shares (m)	64.6
Value per share (€)	30.0
Current Price (€)	19.9
Upside	50%

Source: Pareto Securities Research

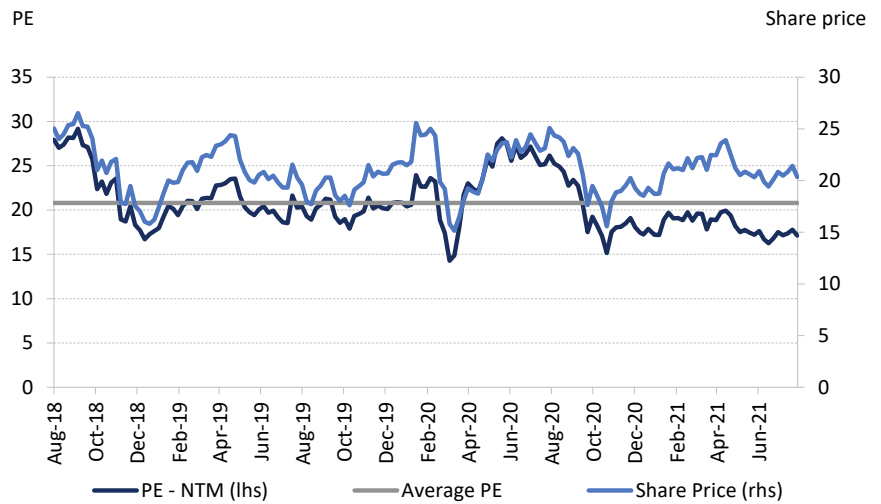
S&T has paid out the dividend for 2020 in the meantime, which we deduct from the enterprise value in the DCF model above.

We book the cash deployed for future acquisitions ex investments into net working capital (NWC), which are included in the line "Change of WC & P", though.

NWC has been at high levels at EUR 182m at the end of H1 due to precautionary measures made necessary by the chip crisis. Dividing this number by our revenue estimate for 2021, we expect the NWC sales intensity to approach 13% of sales in 2021 and to go down to the targeted 12% as part of the PEC program only with a delay of 2 years. Thus, the net cash contribution from working capital is now expected to be negative in 2021 and beyond.

All in, we keep our price target at EUR 30 per share and re-iterate our "buy" recommendation.

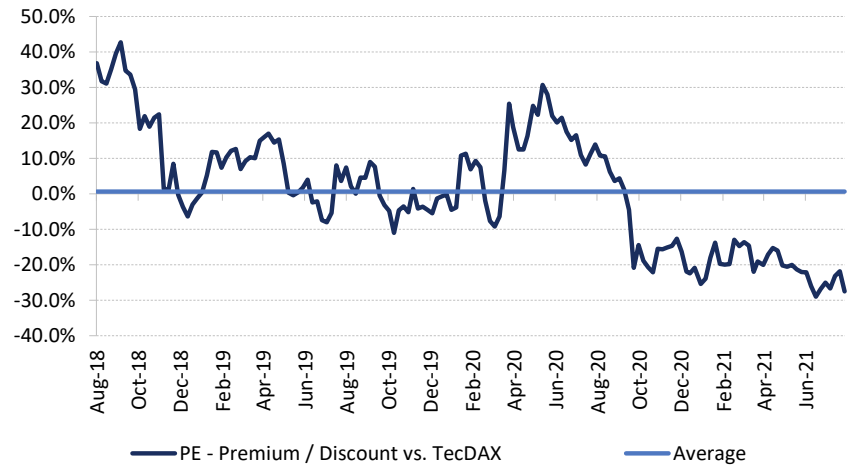
Exhibit 6: Historical PE (consensus-based)



Source: Pareto Securities Research

Our “buy” case is supported by the S&T share trading at a significant discount to (1) past levels and (2) the TecDAX.

Exhibit 7: Premium vs. TecDAX



Source: Pareto Securities Research

Exhibit 8: Appendix - at a glance

Business Units	IT Services	IoT Solutions Europe	IoT Solutions America			
Products/applications	IT services to a broad range of enterprises. Managed services. Operates according to the Plan - Build - Run Principle. Plans to reduce share of hardware business.	Solutions in the areas of IoT and Industry 4.0, combining hardware, middleware and services. Markets served are in Europe and Asia.	Embedded hardware and software solutions focussing on aviation, transport and communication.			
Customers	Small and mid-sized enterprises in DACH and Eastern European region	Industrial applications such as industrial automation, medical technologies, infotainment, energy industry, and public transportation. Core is the former Kontron business.	Communications and aviation customers			
Market share/positioning	Below 1% in SANT's footprint	Below 1% in SANT's footprint	Only reasonable data from SANT's prospectus reveals market share for Advantech of 8%, Siemens 6% and ADLINK of 3% in the European Economic Area (EWR)			
Drivers	Outsourcing and cost cutting main drivers for GDP-like growth for SANT in IT Services.	Connectivity of devices and increased need for secure platforms in M2M, smart metering and other applications drive market growth and innovation in IoT.	System-on-a-chip, enhanced software solutions and niche but customized solutions in the automation, infotainment, medical and transportation segments.			
Main competitors	Bechtle, Cancom, HPE, IBM, Accenture, Adesso, Caggemini, Atos and other IT services companies	Check Point Software, Intel, FireEye, Imperva, Secunet, Compugroup, Vitec Software AB Smart Energy: Landis & Gyr, Schneider Electric, Siemens, Itron, IBM, Cisco, ABB	Advantech, ADLINK, Siemens, Beckhoff and Radisys			
Entry barriers/competitive advantage	High personnel and R&D intensive business, especially in IT Services (personnel) and Embedded Systems (R&D/pre-financing). SANT has high economies of scale/scope once embedded products are developed and software products included. SANT has a low cost base (c. 50% of workforce is located in low cost Eastern European countries), highly outsourced production to Foxconn and Ennoconn in China and Canada respectively, a strong customer retention effort (e.g. trying to become single source supplier for automotive, industrial, aerospace and energy sector), only embedded and smart metering supplier and services provider with a strong Eastern European production footprint, strong IP portfolio.					
Strategy & Guidance	Strategy: (I) Support growth by frequent acquisitions, esp. turnarounds at low multiples. (II) Benefit from megatrends (increased device and machine connectivity, security/firewall requirements, outsourcing) (III) Increase the share of proprietary software in IoT solutions. (IV) Cross-selling. (V) Concentrate on embedded solutions (i.e. combine hard- and software.)		Guidance (08/2021) Revenues: > EUR 1,400m y/y: 11.6% EBITDA margin: at least EUR 140m, 10.0% PASe EUR 1401m, 11.7% Consensus EUR 1435m, 14.4% EUR 145m, 10.1%			
2020	Sales (EURm) 1255 y/y	EBITDA (EURm) 130 Margin 10.4%	EBIT adj. (EURm) 69 Margin 5.5%	Sales 5Y hist. CAGR 22%		
Sales & EBIT Split	Sales split by region 		Sales split by division 		EBITDA split by division 	Group financial
Shareholder structure & management	CEO Hannes Niederhauser CEO (since 2011) • Hannes Niederhauser joined the company in 2011 as CEO. Following his studies in electrical engineering at the Graz University of Technology, the Austrian-born manager worked as a developer of microchips and in the embedded computer segment. Prior he has been the main shareholder and CEO of Kontron AG from 1999 to 2007, which became the world's largest provider in the field of embedded computing.	CFO Richard Neuwirth CFO (since 2013) • Richard Neuwirth has degrees in jurisprudence and business administration. He began his career as a lawyer working for a Vienna-based firm. He joined S&T in 2006, and has held a variety of management positions at it, with these including managing director of S&T Bulgaria and country manager and sales director of S&T Austria. As of July 2013, Neuwirth became the company's CFO.	Shareholder structure 			
# of employees FY 2020	6,067					

Source: Pareto Securities Research

PROFIT & LOSS (fiscal year) (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Revenues	504	882	991	1,123	1,255	1,401	1,635	1,883
EBITDA	34	68	91	112	130	141	172	207
Depreciation & amortisation	(10)	(26)	(29)	(50)	(61)	(63)	(66)	(81)
EBIT	24	42	62	62	68	78	106	126
Net interest	(4)	(6)	(5)	(8)	(8)	(10)	(9)	(9)
Other financial items	-	-	-	-	-	-	-	-
Profit before taxes	20	35	56	54	61	69	97	117
Taxes	0	(6)	(8)	(5)	(6)	(11)	(16)	(21)
Minority interest	(6)	(7)	(3)	(0)	1	1	1	1
Net profit	15	23	45	49	56	59	81	97
EPS reported	0.33	0.43	0.70	0.74	0.85	0.91	1.26	1.50
EPS adjusted	0.31	0.43	0.70	0.74	0.85	0.91	1.26	1.50
DPS	0.10	0.13	0.16	-	0.30	0.32	0.44	0.53
BALANCE SHEET (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Tangible non current assets	28	32	37	38	80	77	110	139
Other non-current assets	184	195	273	392	403	436	474	511
Other current assets	331	361	366	483	481	547	599	650
Cash & equivalents	126	217	172	312	282	281	248	228
Total assets	669	805	848	1,226	1,247	1,341	1,431	1,528
Total equity	241	332	367	385	409	448	507	575
Interest-bearing non-current debt	94	115	113	283	262	249	249	249
Interest-bearing current debt	-	-	-	-	-	-	-	-
Other Debt	332	356	366	549	565	634	664	694
Total liabilities & equity	669	805	848	1,226	1,247	1,341	1,431	1,528
CASH FLOW (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Cash earnings	131	46	48	82	112	100	122	149
Change in working capital	(70)	(1)	(12)	2	29	(28)	(22)	(22)
Cash flow from investments	(74)	(39)	(63)	(56)	(77)	(41)	(112)	(119)
Cash flow from financing	72	93	(21)	84	(66)	(32)	(21)	(28)
Net cash flow	65	91	(45)	141	(30)	(0)	(34)	(20)
CAPITALIZATION & VALUATION (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023e
Share price (EUR end)	8.7	18.0	15.8	21.3	19.3	19.5	19.5	19.5
Number of shares end period	49	63	66	66	65	65	65	65
Net interest bearing debt	(32)	(102)	(58)	(30)	(20)	(32)	1	21
Enterprise value	481	1,066	998	1,385	1,232	1,230	1,263	1,282
EV/Sales	1.0	1.2	1.0	1.2	1.0	0.9	0.8	0.7
EV/EBITDA	14.0	15.7	11.0	12.4	9.5	8.7	7.4	6.2
EV/EBIT	19.9	25.5	16.2	22.4	18.0	15.7	11.9	10.2
P/E reported	26.3	41.5	22.6	28.6	22.6	21.4	15.5	13.0
P/E adjusted	28.4	41.5	22.6	28.6	22.6	21.4	15.5	13.0
P/B	2.8	3.7	2.9	3.8	3.1	2.8	2.5	2.2
FINANCIAL ANALYSIS & CREDIT METRICS	2016	2017	2018	2019	2020	2021e	2022e	2023e
ROE adjusted (%)	7.9	7.9	12.9	13.1	14.0	13.7	17.0	17.9
Dividend yield (%)	1.1	0.7	1.0	-	1.6	1.6	2.3	2.7
EBITDA margin (%)	6.8	7.7	9.1	9.9	10.4	10.1	10.5	11.0
EBIT margin (%)	4.8	4.7	6.2	5.5	5.4	5.6	6.5	6.7
NIBD/EBITDA	(0.93)	(1.50)	(0.64)	(0.26)	(0.16)	(0.23)	0.01	0.10
EBITDA/Net interest	8.28	10.72	17.56	14.54	16.89	14.78	18.92	22.45

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Appendix A

Disclosure requirements in accordance with Commission Delegated Regulation (EU) 2016/958 and the FINRA Rule 2241

The below list shows companies where Pareto Securities AS - together with affiliated companies and/or persons – owns a net long position of the shares exceeding 0,5 % of the total issued share capital in any company where a recommendation has been produced or distributed by Pareto Securities AS.

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
ArcticZymes Technologies	598,575	124%	SpareBank 1Ringerike Hadeland	100,000	0.64%
Bonheur	241,145	0.57%	Sparebank 1SMN	1,875,442	1.44%
DOF	2,366,346	0.75%	Sparebank 1SR-Bank	1,850,014	0.72%
Pareto Bank	16,235,830	23.38%	SpareBank 1Østfold Akershus	1215,116	9.81%
Quantafuel	1,119,887	0.89%	SpareBank 1Østlandet	3,825,292	3.60%
Sandnes Sparebank	126,013	0.55%	Sparebanken Møre	305,239	3.09%
Selvaag Bolig	3,176,925	3.39%	Sparebanken Sør	433,744	2.77%
SpareBank 1BV	1,771,308	2.81%	Sparebanken Vest	6,805,073	6.34%
Sparebank 1Nord-Norge	4,144,124	4.13%			

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

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

Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
AF Gruppen	0	1,825	Fjordkraft Holding	0	12,855	Panoro Energy	0	30,344
Aker ASA	500	2,405	Flex LNG	0	3,532	Pareto Bank	0	2,412,220
Aker BP	0	23,631	Frontline	0	78,708	Pexip Holding	0	62,433
Aker Carbon Capture	0	120,621	Gjensidige Forsikring	0	7,723	PGS	0	11,676
Aker Offshore Wind	0	165,278	Golden Ocean Group	0	1,433	Protector Forsikring	0	12,000
Aker Solutions	0	3,728	Grieg Seafood	0	8,907	Quantafuel	0	1,119,887
American Shipping Co.	0	13,300	Hafnia Ltd.	0	10,000	REC Silicon	0	36,816
Aprila Bank ASA	0	22,675	Huddly	0	988,874	Salmar	0	2,709
Archer	0	30,170	Hunter Group ASA	0	308,500	Salmon Evolution	0	100,000
ArcticZymes Technologies	0	598,575	HydrogenPro	0	37,552	Sandnes Sparebank	0	124,013
Atlantic Sapphire	0	13,610	Ice Fish Farm	0	2,000	Scatec	0	20,412
Austevoll Seafood	0	29,235	ice Group ASA	0	200,000	Seadrill Ltd	0	6,215
Avance Gas	0	3,362	Kalera	0	53,027	Selvaag Bolig	0	52,050
B2Holding AS	0	20,075	Kitron	0	18,386	Sparebank 1Nord-Norge	0	3,350
BASF	270	270	Komplett Bank	0	10,140	Sparebank 1SMN	0	12,740
Belships	0	17,965	Kongsberg Gruppen	0	36,023	Sparebank 1SR-Bank	0	8,505
Bonheur	0	32,275	KWS	75	75	SpareBank 1Østfold Akershus	0	1,252
Borregaard ASA	0	650	Lerøy Seafood Group	0	40,478	SpareBank 1Østlandet	0	8,621
Bouvet	0	2,940	Mercell	0	23,038	Sparebanken Sør	0	16,435
BRABank	0	74,607	Mowi	0	3,761	Sparebanken Vest	0	16,735
BW Energy	0	55,050	MPC Container Ships	0	39,437	Sparebanken Øst	0	1,500
BW Offshore	0	16,076	Nordic Semiconductor	0	4,681	Stolt-Nielsen	0	1,817
Cloudberry Clean Energy	0	52,031	Noreco	0	790	Storebrand	0	25,698
DNB	0	45,115	Norsk Hydro	0	113,219	Subsea 7	0	9,226
DNO	0	151,978	Norske Skog	0	98,225	Telenor	0	9,752
DOF	0	2,366,346	NTS	0	2,272	Vow	0	8,681
Elkem	0	35,426	Ocean Yield	0	104,370	Wallerius Wilhemsen	0	57,570
Entra	0	9,977	OHT	0	6,650	XXL	0	18,823
Equinor	0	2,900	Okeanis Eco Tankers	0	22,000	Yara	0	14,133
Europpris	0	11,414	Orkla	0	20,540	Zaptec	0	4,000

This overview is updated monthly (last updated 15.07.2021).

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

Appendix B

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

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

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

This overview is updated monthly (this overview is for the period 31.06.2020 – 31.06.2021).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	67%
Hold	31%
Sell	2%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	93%
Hold	7%
Sell	0%

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

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Appendix D

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Azelio	Egetis Therapeutics	Linkfire A/S	Swedencare AB
Bionvent	Implantica	LMK Group	Vicore Pharma
Biovica International	Green Landscaping Group AB	Media & Games Invest plc.	VNV Global
Cibus Nordic Real Estate AB	Hexicon	Re:NewCell	

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Appendix E

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

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Daldrup & Söhne	Intershop Communications AG	OVH Holding AG	TAKKT AG
Demire	Leifheit	Procredit Holding *	Viscom *
Epigenomics AG*	Logwin *	PSI SOFTWARE AG *	
Gesco *	Manz AG *	PWO *	
Gerry Weber	MAX Automation SE	S&T AG *	

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

Appendix F

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

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CLIQ Digital	Gerry Weber	Merkur Bank	Siegfried Holding AG
Daldrup & Söhne	Hypoport AG	Mynaric	

This overview is updated monthly (last updated 15.07.2021).