



Margin increase in 2021 expected

We increase our price target from EUR 12.80 to EUR 14.50 and reiterate our “buy” rating as we spot two major positive developments: First, the likelihood that revenues with top 2 clients will bottom out in 2021e has risen. Second, expenses for restructuring and underutilization, for which GFT will incur more than EUR 12m in 2020, are anticipated to retreat significantly in 2021.

Top 2 client revenues probably bottoming out in 2021

Q2 revenues and adjusted EBITDA were bang in-line with our estimates. We increase our price target from EUR 12.80 to EUR 14.50 as we spot two major positive developments: First, Google has become the cloud partner of DB. Since GFT is expert for Google’s cloud offering, especially for financial institutions, the chances that revenues with top 2 clients will bottom out in 2021e have risen.

Margin improvement in 2021 expected

Second, expenses for restructuring and underutilization, for which GFT will incur more than EUR 12m in 2020, are anticipated to retreat significantly in 2021. Hence, we anticipate the reported adjusted EBITDA margin to expand by 180bps despite some margin pressure from the ongoing change of the client base.

Still a buy

Comparing the current valuation to the historic PE and in relation to the TecDAX, GFT does not trade in supercheap territory anymore after the recent strong share price appreciation. However, the current consensus does not yet fully account for the significant earnings increase we forecast for 2021e. We stick to our “buy” rating.

EURm	2018	2019	2020e	2021e	2022e
Revenues	413	429	447	469	517
EBITDA	38	45	41	52	59
EBIT	25	21	17	27	33
EPS	0.76	0.52	0.38	0.69	0.86
EPS adj	0.82	0.60	0.46	0.77	0.92
DPS	0.30	0.20	0.20	0.25	0.35
EV/EBITDA	6.5	8.3	9.3	7.1	6.1
EV/EBIT	9.8	17.4	22.8	13.8	10.9
P/E adj	8.2	19.4	25.9	15.7	13.1
P/B	1.39	2.31	2.30	2.10	1.90
ROE (%)	16.5	10.5	7.5	12.6	14.4
Div yield (%)	4.5	1.7	1.7	2.1	2.9
Net debt	60	59	59	46	35

Source: Pareto

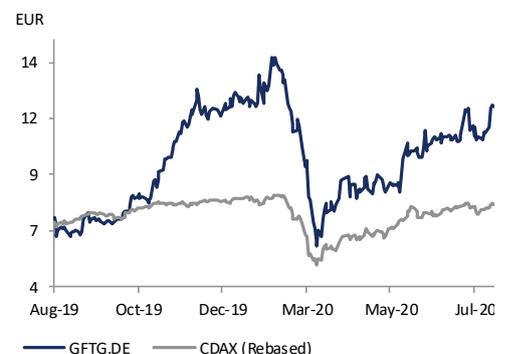
Target price (EUR)	14.5
Share price (EUR)	12.0

Forecast changes			
%	2020e	2021e	2022e
Revenues	1	(1)	(0)
EBITDA	1	6	(0)
EBIT adj	(4)	11	(0)
EPS reported	(5)	12	(2)
EPS adj	(9)	10	(1)

Source: Pareto

Ticker	GFTG.DE, GFT GY
Sector	Software & Services
Shares fully diluted (m)	26.3
Market cap (EURm)	316
Net debt (EURm)	66
Minority interests (EURm)	0
Enterprise value 20e (EURm)	381
Free float (%)	64

Performance



Source: Factset

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Analysts

Knud Hinkel
+49 69 58997 419, knud.hinkel@paretosec.com

Wrap-up Q2 numbers

Exhibit 1: Q2

GFT Technologies		Actual			Pareto	
		Q2 2019	Q2 2020	yoy	Q2 2020	Delta
Revenues	EURm	105.3	108.4	2.9%	107.0	1.3%
Top 2 clients	"	32.0	24.1	(25)%	23.7	2%
Other clients	"	73.2	84.4	15%	83.4	1%
Adj. EBITDA	"	10.8	8.1	(24.5)%	8.2	(0.9)%
margin	%	10.2%	7.5%	-273 bps	7.7%	-17 bps

Source: Pareto Securities Research

Q2 revenue and adjusted EBITDA were bang in-line with our estimates. Business with the top 2 clients decreased by 25%, while business with other clients was up 15%, of which the newly acquired In-GmbH contributed 1%. While the pandemic affected pipeline building in Q2, and will continue to do so in Q3, new clients get used to signing contracts without meeting in person. So GFT's sales channels are working in principle. In Q3, GFT won Volkswagen Bank as new client in retail banking and a non-disclosed PE company in the industry business. Region-wise, GFT saw good growth in Brazil and US although these countries were hit hard by the pandemic. The insurance business had obviously a strong run in Q2 and rose to a revenue share of 14% at the end of H1, benefitting the business in France. Cloud now stands for 8% of revenues.

Adjusted EBITDA were down by 25%, which was due to a lower share of high margin business with DB and Barclays (22% vs. 30% one year ago), but also resulted from an increased level of underutilisation costs (EUR 3.8m vs EUR 1.4m in H1) and restructuring expenses (EUR 5.7m vs EUR 2.9m) in H2. The restructuring costs are incurred mainly in Germany and related to a decrease of the workforce by 40 FTE, that came back from top 2 client projects and typically had a skill set, that is not in high demand at GFT at present, such as project management. For the full year, GFT expects the effect from underutilization and restructuring to amount to EUR 5.4m and EUR 7.0m, respectively, but a normalization in 2021, provided there is no severe re-escalation of the pandemic and related risks. The utilisation rate stood at 88% at the end of H1 vs 89% in 2019. In Q1, that should be back to normal levels of around 90%. In Germany, GFT does not use any short time work schemes anymore but does so in Spain to a minor extent.

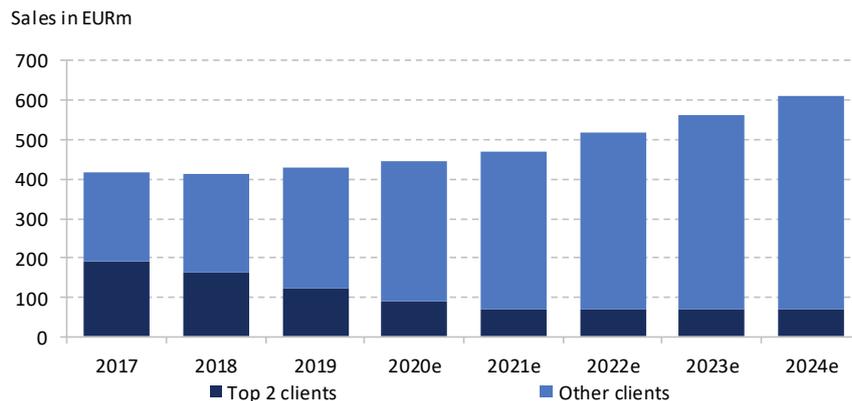
At the end of H1, GFT employed 5,585 people, 14 percent more than at the end of the first half of 2019 (4,892 FTE), underpinning GFT's growth ambitions. GFT plans to erect a new hub in Vietnam to serve Asian clients, which is done from Poland at present. As travelling to Vietnam to sign respective documents would take 4 weeks at present due to Corona-related precautionary measures, this project is on hold at the moment.

GFT continues to expect revenues of EUR 440m (2019: EUR 429m), adjusted EBITDA of EUR 44m (2019: EUR 48m) and EBT of EUR 13 million (previous year: EUR 19m) for 2020.

Valuation update

After the H1 reporting, we have reworked our assumptions. As Google has become the cloud partner of DB, the chances that revenues with top 2 clients will bottom out in 2021e have risen, as GFT is expert for Google's cloud offering, especially for financial institutions. Therefore, we expect respective revenues to drop from EUR ~90m to EUR ~70m in 2021 and to remain there (see below). Revenues with other clients are still expected to grow by 10-12% in the next four years.

Exhibit 2: Revenue expectations



Source: Pareto Securities Research

Regarding adjusted EBITDA, we assume that GFT can grow the respective margin by 200 bps already next year. Our line of thoughts is as follows: GFT has indicated that it will incur costs of EUR 12.4m for restructuring and underutilization in 2020. Moreover, the company has guided for adjusted EBITDA of EUR 44m. Stripping out these effects, we expect GFT to earn ("clean") EBITDA of EUR 56.5m in 2020 (see below).

Exhibit 3: Expected margin evolution 2019 – 2024e

EUR m	2019	2020e	2021e	2022e	2023e	2024e
Reported adjusted EBITDA	47.9	44.1	55.0	60.5	65.7	71.4
margin	10.5%	9.9%	11.7%	11.7%	11.7%	11.7%
Restructuring	-4.1	-7.0	-1.5	-1.5	-1.5	-1.5
Underutilisation	-1.4	-5.4	-1.4	-1.4	-1.4	-1.4
Currency effects	-0.8					
"Clean" adjusted EBITDA	54.3	56.5	57.9	63.4	68.6	74.3
margin	12.6%	12.6%	12.3%	12.3%	12.2%	12.2%

Source: Pareto Securities Research

In the coming years, we expect this "clean" adjusted EBITDA margin to contract a bit as the share of revenues with top 2 clients declines further, while the business with other clients, which is said to have a margin disadvantage of 5 percentage points, is expected to remain on the rise. Notwithstanding, restructuring expenses are anticipated to retreat to the base level of EUR ~1.5m p.a. in the coming years. Also, the effect from underutilization is expected to go back significantly in 2021. Hence, we expect the reported adjusted EBITDA margin to expand by 180bps despite some margin pressure from the ongoing change of the client base.

All in, we arrive at P&L as depicted below. Please observe that the difference between adjusted and unadjusted EBITDA is entirely due to earn out effects from

acquisitions. Moreover, GFT has guided for a tax rate of 28%-30% for 2020 and 25% thereafter.

Exhibit 4: P&L forecast

Profit & Loss	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	2023e
Revenue	264	365	374	423	419	413	429	447	469	517	561
% yoy	14.6%	38.2%	2.2%	13.1%	-0.9%	-1.4%	3.9%	4.2%	4.9%	10.2%	8.6%
Adjusted EBITDA	21	35	45	32	31	40	48	44	55	61	66
% of sales	7.8%	9.5%	11.9%	7.5%	7.5%	9.6%	11.2%	9.9%	11.7%	11.7%	11.7%
EBITDA	21	35	45	32	33	38	45	41	52	59	66
% of sales	7.8%	9.5%	11.9%	7.5%	8.0%	9.1%	10.5%	9.2%	11.1%	11.3%	11.7%
EBIT	18	28	34	20	19	25	21	17	27	33	39
% of sales	6.7%	7.7%	9.2%	4.7%	4.5%	6.0%	5.0%	3.7%	5.7%	6.3%	7.0%
Pretax Profit	18	27	33	17	16	23	19	14	24	30	37
% of sales	6.6%	7.4%	8.7%	4.1%	3.8%	5.5%	4.4%	3.2%	5.1%	5.9%	6.6%
Net Profit	14	20	25	9	16	20	14	10	18	23	28
% of sales	5.2%	5.5%	6.8%	2.0%	3.8%	4.8%	3.2%	2.3%	3.9%	4.4%	4.9%
EPS (EUR)	0.52	0.76	0.96	0.33	0.60	0.76	0.52	0.38	0.69	0.86	1.05
% yoy	63.5%	46.4%	27.0%	-66.2%	84.1%	26.7%	-31.6%	-26.2%	79.2%	25.8%	21.4%
DPS (EUR)	0.25	0.25	0.30	0.30	0.30	0.30	0.20	0.20	0.25	0.35	0.40
Payout ratio	48%	33%	31%	92%	50%	40%	39%	50%	40%	40%	40%

Source: Pareto Securities Research

On these grounds, our DCF framework indicates a new price target of EUR 14.60 per share (was EUR 12.80 before).

Exhibit 5: DCF

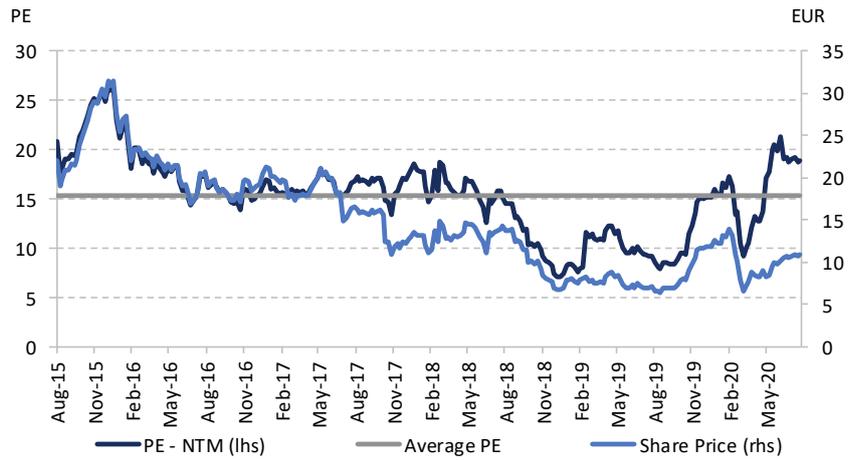
EUR m	Phase I					Phase II					Phase III
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
Revenues	447	469	517	561	611	658	703	745	781	812	
<i>growth rate</i>	4.2%	4.9%	10.2%	8.6%	8.8%	7.8%	6.8%	5.9%	4.9%	4.0%	
EBIT	17	27	33	39	44	47	50	53	55	57	
<i>EBIT margin</i>	3.7%	5.7%	6.3%	7.0%	7.2%	7.1%	7.1%	7.1%	7.0%	7.0%	
Tax	(5)	(7)	(8)	(10)	(11)	(12)	(12)	(13)	(14)	(14)	
<i>Tax rate</i>	29%	25%	25%	25%	25%	25%	25%	25%	25%	25%	
Depr. & Amort. (w/o leases)	13	13	13	12							
<i>% of sales</i>	2.9%	2.9%	2.4%	2.2%	2.0%	1.9%	1.8%	1.6%	1.5%	1.4%	
Capex	(9)	(10)	(11)	(12)	(13)	(12)	(12)	(12)	(12)	(12)	
<i>% of sales</i>	2.0%	2.1%	2.1%	2.1%	2.1%	1.8%	1.7%	1.6%	1.5%	1.5%	
Change in NWC	(3)	(3)	(7)	(7)	(8)	(7)	(7)	(6)	(6)	(5)	
<i>% of sales</i>	0.6%	0.7%	1.4%	1.2%	1.2%	1.1%	1.0%	0.9%	0.7%	0.6%	
Free Cash Flow	13	20	19	23	25	28	31	34	36	37	712
<i>growth rate</i>	nm	53.5%	-5.8%	21.0%	7.0%	15.6%	10.4%	7.6%	5.7%	4.8%	3.0%
Present Value FCF	13	18	16	17	17	18	19	19	18	18	334

PV Phase I	81	Risk free rate	3.5%	Targ. equity ratio	80%		
PV Phase II	91	Premium Equity	5.0%	Beta	1.3		
PV Phase III	334	Premium Debt	0.5%	WACC	8.4%		
Enterprise value	506	Sensitivity	Growth in phase III				
- Net Debt (Cash)	59		2.0%	2.5%	3.0%	3.5%	4.0%
- Pension Provisions	7	7.6%	15.2	16.6	18.2	20.3	23.0
- Minorities & Peripherals	0	8.0%	13.7	14.8	16.2	17.9	19.9
- Leasing liabilities	53	WACC 8.4%	12.4	13.3	14.5	15.8	17.5
- Paid-out dividends for last FY	0	8.8%	11.3	12.1	13.0	14.1	15.5
+/- Other EV items	(6)	9.2%	10.3	11.0	11.8	12.7	13.8
Equity value	381						
Number of shares (m)	26.3						
Value per share (€)	14.50						
Current Price (€)	12.12						
Upside	20%						

Source: Pareto Securities Research

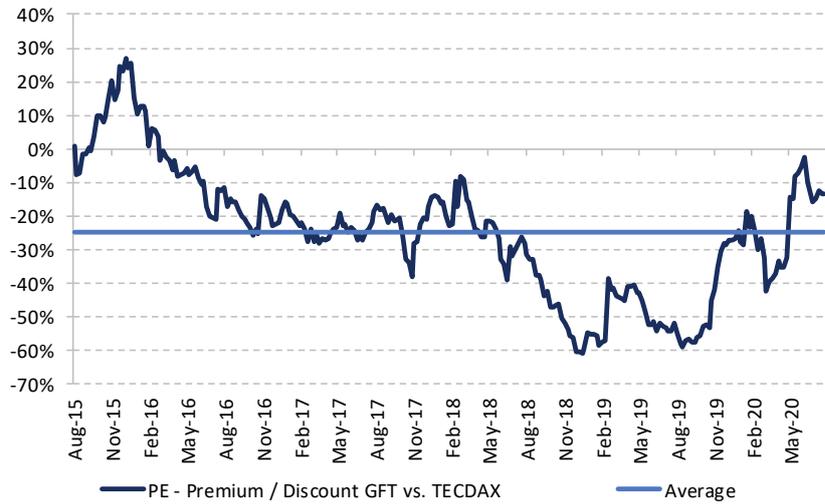
Regarding the historic PE and the valuation relative to the TecDAX, GFT does not trade in supercheap territory anymore after the recent strong share price appreciation. However, the current consensus valuation does not yet fully account for the significant earnings increase we forecast for 2021e. This will bring down adjusted PE to 15.8x for 2021, in line with historic levels.

Exhibit 6: Historic PE



Source: Factset, Pareto Securities Research

Exhibit 7: Premium vs TecDax



Source: Factset, Pareto Securities Research

At a glance

Exhibit 8: At a glance

Business Units																			
Products/ applications	Customized IT solutions stand for 90% of revenues, implementing a third party software product ("Guidewire") for 10%. ~30% of revenues derived from banks are related to application management, 40% to core tech, 30% to new tech.																		
Customers	Deutsche Bank (22% of revenues), Sabadell, HSBC (5-10% each). 80% of revenues with the banking industry. 10% with insurance companies. 10% are derived from other applications such as industry 4.0.																		
Market share/ positioning	We estimate the global IT service market for financials to be around EUR 180bn in 2019. Thus, GFT commands a market share of ~0.3%, in our view.																		
Drivers	In general, IT spending of financials is positively correlated with regulation, digitisation and competitive pressure from fintechs and big tech. IT spending of Deutsche Bank is still important for GFT, but the significance has decreased over time. The need of customers to cut costs may help at times (e.g. with regard to outsourcing), but sometimes will also put pressure on relevant IT budgets. Other drivers are labour costs (~60% of revenues), utilisation rate and GFT's ability to diversify into other verticals. The emergence of new technologies and GFT's ability to embrace these are important drivers, too. Finally, the partnerships with Google, AWS, MSFT Azure and Guidewire play a significant role for GFT's business model.																		
Main competitors	Highly fragmented market with many competitors. At the top end, the market is served by IBM, Accenture etc. that realizes more than EUR 2bn revenues in the relevant market space. This group commands c. 40% market share. The smaller companies with less than EUR 500m revenues command 50% market share, among them well reputed names like SAP, too.																		
Entry barriers/ competitive advantage	In-depth knowledge on clients' market requirements and state-of-the-art technologies. Capacity to handle complexity. Reputation to handle complex projects on budget / time. Access to workforce in different locations (on-, near-, offshore). Good project management safeguards margins.																		
Strategy & Guidance	Strategy: (I) Being partner of choice for financial sector. (III) Reducing dependency from banking sector / top clients by expanding into other verticals. (III) Ensuring cost competitiveness by an on-, near- and offshore mix of workforce. (IV) Grow workforce by frequent acquisitions. (V) Nurture "exponential" technologies (disruptive / high growth potential). (VI) Anchor shareholder allows for long-term business horizon. (VII) Dividend continuity.				<table border="1"> <thead> <tr> <th></th> <th>Guidance (08/2020):</th> <th>PAS Estimates:</th> <th>Consensus:</th> </tr> </thead> <tbody> <tr> <td>Revenue: y/y</td> <td>EUR 440m</td> <td>EUR 447m</td> <td>EUR 440m</td> </tr> <tr> <td>Adj. EBITDA: margin</td> <td>EUR 44m 10.0%</td> <td>EUR 44m 10.0%</td> <td>EUR 45m 10.2%</td> </tr> </tbody> </table>				Guidance (08/2020):	PAS Estimates:	Consensus:	Revenue: y/y	EUR 440m	EUR 447m	EUR 440m	Adj. EBITDA: margin	EUR 44m 10.0%	EUR 44m 10.0%	EUR 45m 10.2%
	Guidance (08/2020):	PAS Estimates:	Consensus:																
Revenue: y/y	EUR 440m	EUR 447m	EUR 440m																
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2019	Sales y/y	429.0	Adj. EBITDA (EURm) Margin	47.9	11.2%	EBIT (EURm) Margin	21.3	5.0%	Sales 5Y hist. CAGR	3.3%									
Sales & EBIT Split	Sales split by region 			Sales split by client 		Adj. EBITDA by region 		Group financial development 											
Shareholder structure & management	CEO Marika Lulay <ul style="list-style-type: none"> With GFT since 2002, first as COO, since 2017 CEO. Also member of the administrative board, which is rare in Germany. Responsible for strategy & business development, markets, communications, marketing, technology & innovation. Prior to her career at GFT, Ms Lulay was in various management positions at numerous software companies, among them Software AG. 		CFO Dr. Jochen Ruetz <ul style="list-style-type: none"> Member of the GFT board since 2003. Also member of the administrative board, which is rare in Germany. Responsible for finance, IT, human resources, legal, purchasing, audit, investor relations and M&A Prior to his career at GFT, Dr Ruetz was in various management positions at Strabag and Deutsche Bank. 		Shareholder structure 														
# of employees FY 2019	5,170																		

Source: Pareto Securities Research

PROFIT & LOSS (fiscal year) (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Revenues	374	423	419	413	429	447	469	517
EBITDA	45	32	33	38	45	41	52	59
Depreciation & amortisation	(10)	(12)	(15)	(13)	(24)	(24)	(25)	(26)
EBIT	34	20	19	25	21	17	27	33
Net interest	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(2)
Other financial items	-	(1)	(1)	-	(0)	-	-	-
Profit before taxes	33	17	16	23	19	14	24	30
Taxes	(6)	(9)	(0)	(3)	(5)	(4)	(6)	(8)
Minority interest	-	-	-	-	-	-	-	-
Net profit	25	9	16	20	14	10	18	23
EPS reported	0.96	0.33	0.60	0.76	0.52	0.38	0.69	0.86
EPS adjusted	0.96	0.33	0.60	0.82	0.60	0.46	0.77	0.92
DPS	0.30	0.30	0.30	0.30	0.20	0.20	0.25	0.35
BALANCE SHEET (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Tangible non current assets	26	31	29	27	28	29	26	25
Other non-current assets	147	144	136	167	230	215	215	215
Other current assets	106	128	135	118	122	126	131	142
Cash & equivalents	47	62	72	62	56	56	69	80
Total assets	327	366	373	373	435	427	442	461
Total equity	124	117	115	127	133	137	150	166
Interest-bearing non-current debt	83	86	106	106	115	115	115	115
Interest-bearing current debt	1	18	5	15	-	-	-	-
Other Debt	111	136	137	117	181	168	169	173
Total liabilities & equity	327	366	373	373	435	427	442	461
CASH FLOW (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Cash earnings	38	34	20	17	39	36	45	50
Change in working capital	5	(15)	3	27	(2)	(3)	(3)	(7)
Cash flow from investments	(32)	(17)	(9)	(54)	(14)	(15)	(10)	(11)
Cash flow from financing	(3)	13	(3)	(2)	(27)	(18)	(18)	(21)
Net cash flow	9	15	10	(11)	(5)	0	13	11
CAPITALIZATION & VALUATION (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Share price (EUR end)	31.6	20.5	13.0	6.7	11.6	12.0	12.0	12.0
Number of shares end period	26	26	26	26	26	26	26	26
Net interest bearing debt	36	42	39	60	59	59	46	35
Enterprise value	876	590	391	243	372	381	368	358
EV/Sales	2.3	1.4	0.9	0.6	0.9	0.9	0.8	0.7
EV/EBITDA	19.7	18.6	11.7	6.5	8.3	9.3	7.1	6.1
EV/EBIT	25.6	29.9	20.8	9.8	17.4	22.8	13.8	10.9
P/E reported	32.8	63.0	21.8	8.8	22.4	31.3	17.5	13.9
P/E adjusted	32.8	63.0	21.8	8.2	19.4	25.9	15.7	13.1
P/B	6.7	4.6	3.0	1.4	2.3	2.3	2.1	1.9
FINANCIAL ANALYSIS & CREDIT METRICS	2015	2016	2017	2018	2019	2020e	2021e	2022e
ROE adjusted (%)	22.5	7.1	13.5	17.8	12.2	9.0	14.0	15.3
Dividend yield (%)	0.9	1.5	2.3	4.5	1.7	1.7	2.1	2.9
EBITDA margin (%)	11.9	7.5	8.0	9.1	10.5	9.2	11.1	11.3
EBIT margin (%)	9.2	4.7	4.5	6.0	5.0	3.7	5.7	6.3
NIBD/EBITDA	0.82	1.33	1.18	1.59	1.31	1.43	0.88	0.60
EBITDA/Net interest	26.17	18.13	18.83	19.06	18.52	17.44	21.77	24.40

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

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Appendix A

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

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

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,009,280	9.63%	SpareBank 1Østfold Akersl	1,139,560	9.20%
Pareto Bank ASA	14,901,908	21.33%	Sparebanken Vest	6,370,851	5.94%

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

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,009,280	9.63%	SpareBank 1SMN	188,144	1.45%
NHST Media Group AS	17,900	1.39%	SpareBank 1Østfold Akersl	1,139,560	9.20%
Pareto Bank ASA	14,901,908	21.33%	Sparebanken Møre	305,239	3.09%
Selvaag Bolig ASA	2,177,497	2.32%	Sparebanken Sør	433,444	2.77%
SpareBank 1BV	1,655,220	2.62%	Sparebanken Vest	6,370,851	5.94%
SpareBank 1Nord-Norge	3,245,605	3.23%	Totens Sparebank	78,246	1.28%

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

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

Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
Adevinta	0	574	Golden Ocean Group	0	1,744	Quantafuel	0	2,540
AF Gruppen	0	19,185	Grieg Seafood	0	6,258	REC Silicon	0	32,708
Aker	0	791	Hafnia Limited	0	30,000	SailMar	0	385
Aker BP	0	23,126	Helgeland Sparebank	0	2,777	Sandnes Sparebank	0	25,782
American Shipping Compar	0	3,500	Ice Group	0	104,391	Sbanken	0	4,520
Atlantic Sapphire	0	1,105	Jæren Sparebank	0	500	Scatec Solar	0	35,000
Austevoll Seafood	0	635	Komplett Bank	0	94,300	Schibsted ASA A Aksjer	0	232
Avance Gas	0	4,456	Kongsberg Gruppen	0	34,274	Schibsted ASA B Aksjer	0	607
Axactor	0	11,376	KWS	75	75	Selvaag Bolig	0	2,350
Bakkafrost	0	204	Lerøy Seafood	0	3,814	SpareBank 1BV	0	22,000
BASF	270	270	Mowi	0	3,779	SpareBank 1Nord-Norge	0	26,050
Bonheur	0	37,076	NORBIT	0	8,155	SpareBank 1SMN	0	18,740
BRABank	0	137,100	Nordic Semiconductor	0	6,765	SpareBank 1SR-Bank	0	42,601
BWEnergy Limited	0	43,075	Norsk Hydro	0	102,321	SpareBank 1Østlandet	0	7,921
BWOffshore	0	8,326	Norske Skog	0	3,550	Sparebanken Sør	0	16,135
DNB	0	31,464	Norwegian Air Shuttle	0	40,028	Sparebanken Vest	0	14,924
DNO	0	499,263	Norwegian Finans Holding	0	3,310	Sparebanken Øst	0	1,500
Elkem	0	5,218	NTS	0	2,172	Stolt-Nielsen	0	41,317
Entra	0	10,537	Ocean Yield	0	46,005	Storebrand	0	7,552
Equinor	0	5,002	Okeanis Eco Tankers	0	2,000	Subsea 7	0	3,198
Europris	0	13,469	Orkla	0	18,699	Telenor	0	2,076
Fjord1	0	50,000	Panoro Energy	0	9,285	TGS-NOPEC	0	2,000
Fjordkraft Holding	0	12,000	Pareto Bank	0	1278,298	VOWASA	0	6,281
Frontline	0	28,710	Pexip Holding	0	7,000	XXL	0	12,573
Gjensidige Forsikring	0	7,280	Protector Forsikring	0	14,000	Yara International	0	14,175

This overview is updated monthly (last updated 10.07.2020).

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

Appendix B

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

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

24SevenOffice Scandinavia AB	Hafnia Limited	Pexip Holding ASA	
Acconer AB	Helgeland Sparebank	Pinewood Laboratories	
Avanzia Bank	HKN Energy Ltd	Pioneer Property Group	
Africa Energy	Ice Group	Pioneer Property Group ASA	
African Petroleum Corporation	ICWHolding	Providences Inv. Mngmt Pty	
Aker ASA	Kingfish Zeeland	Salmon Evolution AS	
American Tanker, Inc.	Klaveness Combination Carriers ASA	Sandnes Sparebank	
Aprila Bank ASA	Komplett Bank ASA	Scorpio Bulkers Inc.	
Belships	Kongsberg Automotive	Seadrill	
Boreal Holding AS	LifeFit	Sparebanken Vest	
Borr Drilling Ltd.	Luxaviation Holding	Stolt Nilsen	
BRABank	Mercell Holding AS	TEMPTON Dienstleistungen	
BRABank ASA	Monobank ASA	United Camping AB	
BWEnergy	Mutares SE & Co. KGaA		-
Cabonline Group Holding AB	Navigator Holdings		-
Cibus Nordic Real Estate AB	Next Biometrics Group ASA ("NEXT")		-
Digiplex	Northern Ocean		-
DOFASA	Norwegian Air Shuttle		-
DOF Subsea AS	Nouveau Monde Graphite		-
Erwe Immobilien	Ocean Yield		-
Euromicron AG	Odfjell SE		-
Filo Mining Corp	Pareto Bank		-
Floatel	Petroleum Geo-Services		-

This overview is updated monthly (this overview is for the period 30.06.2019 – 30.06.2020).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	64%
Hold	31%
Sell	4%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	75%
Hold	25%
Sell	0%

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

This overview is updated monthly (last updated 10.07.2020).

Appendix D

This section applies to research reports prepared by Pareto Securities AB.

Disclosure of positions in financial instruments

The beneficial holding of the Pareto Group is 1 % or more of the total share capital of the following companies included in Pareto Securities AB's research coverage universe: None

The Pareto Group has material holdings of other financial instruments than shares issued by the following companies included in Pareto Securities AB's research coverage universe: None

Disclosure of assignments and mandates

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

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

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:

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Cibus Nordic Real Estate	Minesto	Sedana Medical	Tethys Oil
Isofol Medical	Saltängen Property Invest	ShaM aran Petroleum	Vostok Emerging Finance

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Bonäsudden	Delarka	Logistri	Sydsvenska Hem

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Appendix E

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

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

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

Appendix F

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

Sponsored Research

Pareto Securities has entered into an agreement with these companies about the preparation of research reports and—in return—receives compensation.

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

This overview is updated monthly (last updated 15.07.2020).