



Not a lot to worry about

Q1 saw strong revenue growth but EBITDA that were a bit light of our expectations. As a result, we cut our expected adjusted EBITDA margin for the GFT group from 11.4% to 10.1% for the full year 2020. Notwithstanding, with an upside of more than 50% the valuation remains attractive. Buy, TP 12.80 (was EUR 13.20).

Q1 revenues better than expected, EBITDA slightly below

GFT reported strong top-line growth in Q1 that surpassed our expectations. Adjusted EBITDA were slightly down yoy, which was per se no surprise given that GFT has communicated before that margin optimization will not be the focus in 2020, but the decrease was higher than anticipated by us.

Revenue estimate unchanged, lower EBITDA margin expected

Although GFT still refrains to provide a guidance for 2020 due to the uncertainties resulting from the pandemic, the company gave some hints what to expect. All in all, we still feel comfortable with our expected revenue increase of 2.7%. Following higher than expected personnel expenses, we now assume an adjusted group EBITDA margin of 10.1% instead of 11.4% for 2020, though.

Valuation still attractive

On the grounds of our DCF framework, the estimate changes result in a new fair value of EUR 12.80 (was EUR 13.20 before). The comparatively small impact on the fair value is because we only cut our estimates for 2020 and 2021 but leave our estimates for the subsequent periods largely unchanged. The new target price still implies an attractive upside of slightly more than 50%.

EURm	2018	2019	2020e	2021e	2022e
Revenues	413	429	441	474	517
EBITDA	38	45	41	49	59
EBIT	25	21	16	24	33
EPS	0.76	0.52	0.40	0.61	0.88
EPS adj	0.82	0.60	0.51	0.69	0.93
DPS	0.30	0.20	0.20	0.25	0.35
EV/EBITDA	6.5	8.3	7.1	5.6	4.5
EV/EBIT	9.8	17.4	17.4	11.7	8.1
P/E adj	8.2	19.4	16.6	12.2	9.1
P/B	1.39	2.31	1.62	1.50	1.35
ROE (%)	16.5	10.5	7.8	11.3	14.7
Div yield (%)	4.5	1.7	2.4	3.0	4.1
Net debt	60	59	57	48	36

Source: Pareto

Target price (EUR)	12.8
Share price (EUR)	8.5

Forecast changes

%	2020e	2021e	2022e
Revenues	-	-	-
EBITDA	(15)	(8)	-
EBIT adj	(21)	(11)	-
EPS reported	(36)	(18)	(2)
EPS adj	(25)	(14)	(2)

Source: Pareto

Ticker	GFTG.DE, GFT GY
Sector	Software & Services
Shares fully diluted (m)	26.3
Market cap (EURm)	223
Net debt (EURm)	64
Minority interests (EURm)	0
Enterprise value 20e (EURm)	287
Free float (%)	64

Performance



Source: Factset

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Wrap-up Q1 statement

Exhibit 1: Q1 numbers

GFT Technologies		Actual			Pareto	
		Q1 2019	Q1 2020	yoy	Q1 2020	Delta
Revenues	EURm	105.7	112.5	6.4%	108.5	3.7%
Top 2 clients	"	34.6	25.5	(26)%	22.7	13%
Other clients	"	71.0	86.9	22%	83.5	4%
Recon		0.1	0.1	nm	2.4	nm
Adj. EBITDA	"	11.2	10.4	(6.9)%	10.8	(4.2)%
margin	%	10.6%	9.2%	-132 bps	10.0%	-77 bps

Source: Pareto Securities Research

GFT reported strong top-line growth in Q1 that surpassed our expectations. Business with “other clients” grew by 22%, while business with DB and Barclays fell less than expected. Notwithstanding, the share of the “top 2” clients fell from 33% in Q1 2019 to 23% in Q1 2020, in-line with GFT’s strategy to reduce concentration risks. Adjusted EBITDA were slightly down yoy, which was no surprise given that GFT has communicated before that margin optimization will not be the focus in 2020 as GFT’s sales force has been enlarged to seek new business. FTE increased yoy from 4,910 to 5,460 and personnel expenses were up 11% yoy and stood at 72.5% of sales in Q1, i.e. 3 percentage points higher than at the end of 2019. The utilization rate was unchanged at 89%, as GFT saw some underutilization in Continental Europe. The delay of restructuring efforts in Germany following lower business with DB and holiday accruals burdened personnel expenses, too.

Notwithstanding, Q1 EBITDA would have been on par with last year’s level, if one stripped out IFRS 16 effects in both periods, but this is only a timing effect, we understand.

GFT still refrains to provide a guidance for 2020 due to the uncertainties resulting from the COVID-19 pandemic. So far, GFT did not see a lot of project cancellations but there might be postponements in the remainder of the year. Going forward, the travel restrictions are expected to impact the effectiveness of GFT’s sales force, too. GFT said during the CC, that not every client is prepared to commit to a highly innovative project on the grounds of a video sales pitch, especially if this is the first project with GFT.

Notwithstanding, we consider GFT well-positioned to capitalize on the increasing demand for digitization which has even accelerated during the pandemic. In line with that, GFT’s non-financial KPIs continue to point in the right direction: The share of business with insurance companies reached 13% in Q1, almost at the 15% target for the entire year 2020. Also cloud solutions reached a revenue share of 8%, so that the full year target of EUR 40-50m cloud revenues for 2020 is clearly in reach.

We also interpret the decision to pay a (reduced) dividend of EUR 0.20 per share (pay-out ratio 39%) for FY 2019 as a sign of confidence (announced before COVID-19: EUR 0.30).

Changes to our estimates

At the backdrop of the strong revenue figures in Q1 that grew yoy by 6.4%, we still feel comfortable with our full year estimate of an increase by 2.7%, so nothing to change here. The CFO said during the analyst call that he will not be surprised if the remaining three quarters match last year's level. If we add EUR 323m realized in Q2-Q4 2019 to the EUR 112.5m realized in Q1 2020, we are at ~EUR 435m, i.e. very close to our estimate of EUR 440.5m.

What we have indeed underestimated is the need for GFT to invest into the sales force in order to accelerate the business with "other clients". As a result, personnel expenses were up 11% yoy and stood at 72.5% of sales in Q1, i.e. 3 percentage points higher than at the end of 2019. Because of that, we don't expect the business with "other clients" to yield an estimated adjusted EBITDA margin of around 11% of sales in 2020 anymore. Instead, we believe GFT will temporarily accept a margin of around 9% for business with "other clients", that will gradually increase to 11% in the next couple of years. We estimate business with "other clients" to amount to >80% of total sales at the end of 2020, while the remainder is (higher margin) business with the "top 2 clients". The expected average adjusted (group) margin is now 10.1% instead of 11.4%.

Apart from that model modification, we now expect higher M&A-related adjustments in 2020 (EUR 4m instead of EUR 2m), as GFT has already incurred more than EUR 1m after Q1.

Last, we now anticipate a tax rate of 24% for the years to come instead of 22.5%, in-line with the company guidance and have also adjusted the 2019 dividend to EUR 0.20 per share.

All in, we arrive at the P&L depicted below:

Exhibit 2: Updated P&L

Profit & Loss	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e	2023e
Revenue	264	365	374	423	419	413	429	441	474	517	562
% yoy	14.6%	38.2%	2.2%	13.1%	-0.9%	-1.4%	3.9%	2.7%	7.5%	9.2%	8.7%
Adjusted EBITDA	21	35	45	32	31	40	48	45	52	61	66
% of sales	7.8%	9.5%	11.9%	7.5%	8.0%	9.1%	10.5%	9.2%	10.4%	11.3%	11.7%
EBITDA	21	35	45	32	33	38	45	41	49	59	66
% of sales	7.8%	9.5%	11.9%	7.5%	8.0%	9.1%	10.5%	9.2%	10.4%	11.3%	11.7%
EBIT	18	28	34	20	19	25	21	16	24	33	39
% of sales	6.7%	7.7%	9.2%	4.7%	4.5%	6.0%	5.0%	3.7%	5.0%	6.4%	7.0%
Pretax Profit	18	27	33	17	16	23	19	14	21	30	37
% of sales	6.6%	7.4%	8.7%	4.1%	3.8%	5.5%	4.4%	3.2%	4.5%	5.9%	6.5%
Net Profit	14	20	25	9	16	20	14	11	16	23	28
% of sales	5.2%	5.5%	6.8%	2.0%	3.8%	4.8%	3.2%	2.4%	3.4%	4.5%	5.0%
EPS (EUR)	0.52	0.76	0.96	0.33	0.60	0.76	0.52	0.40	0.61	0.88	1.06
% yoy	63.5%	46.4%	27.0%	-66.2%	84.1%	26.7%	-31.6%	-22.4%	52.4%	42.8%	21.0%
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

The changes to our estimates can be found in the table below.

Exhibit 3: Changes to our estimates

GFT Technologies	2020e			2021e			2022e		
	Old	New	Chg.	Old	New	Chg.	Old	New	Chg.
Revenues	441	441	0%	474	474	0%	517	517	0%
Adj. EBITDA	50	45	-11%	55	52	-6%	61	61	0%
EBITDA	48	41	-15%	53	49	-8%	59	59	0%
EBT	21	14	-35%	26	21	-17%	30	30	0%
Net result	17	11	-36%	20	16	-18%	24	23	-2%
EPS	0.63	0.40	-36%	0.75	0.61	-18%	0.89	0.88	-2%

Source: Pareto Securities Research

Valuation update

Exhibit 4: DCF

EUR m	Phase I					Phase II					Phase III
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
Revenues	441	474	517	562	612	660	706	747	784	815	
<i>growth rate</i>	2.7%	7.5%	9.2%	8.7%	8.8%	7.9%	6.9%	5.9%	4.9%	4.0%	
EBIT	16	24	33	39	44	47	50	53	55	57	
<i>EBIT margin</i>	3.7%	5.0%	6.4%	7.0%	7.1%	7.1%	7.1%	7.1%	7.0%	7.0%	
Tax	(4)	(6)	(8)	(9)	(10)	(11)	(12)	(13)	(13)	(14)	
<i>Tax rate</i>	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	
Depr. & Amort. (w/o leases)	13	13	13	12							
<i>% of sales</i>	2.9%	2.8%	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	(2)	(5)	(7)	(7)	(8)	(7)	(7)	(6)	(6)	(5)	
<i>% of sales</i>	0.4%	1.1%	1.3%	1.2%	1.2%	1.1%	1.0%	0.9%	0.7%	0.6%	
Free Cash Flow	15	16	20	23	25	29	32	34	36	38	670
<i>growth rate</i>	nm	10.4%	22.1%	16.0%	6.7%	15.8%	10.6%	7.8%	5.9%	5.0%	3.0%
Present Value FCF	14	14	16	17	17	18	18	18	17	17	296

PV Phase I	78	Risk free rate	3.5%	Targ. equity ratio	80%			
PV Phase II	88	Premium Equity	5.0%	Beta	1.4			
PV Phase III	296	Premium Debt	0.1%	WACC	8.8%			
Enterprise value	462	Sensitivity	Growth in phase III					
- Net Debt (Cash)	59		2.0%	2.5%	3.0%	3.5%	4.0%	
- Pension Provisions	7	8.0%	13.7	14.8	16.2	17.9	20.0	
- Minorities & Peripherals	0	8.4%	12.3	13.2	14.3	15.7	17.4	
- Leasing liabilities	53	WACC	8.8%	11.1	11.9	12.8	13.9	15.3
- Paid-out dividends for last FY	0	9.3%	10.0	10.7	11.5	12.4	13.5	
+/- Other EV items	(6)	9.7%	9.1	9.7	10.3	11.1	12.0	
Equity value	337							
Number of shares (m)	26.3							
Value per share (€)	12.80							
Current Price (€)	8.48							
Upside	51%							

Source: Pareto Securities Research

On the grounds of our DCF framework, the discussed estimate changes result in a new fair value of EUR 12.80 (was EUR 13.20 before). The comparatively small impact on the fair value is because we only cut our estimates for 2020 and 2021 but leave our estimates for the subsequent periods largely unchanged. The new target price still implies an attractive upside of slightly more than 50%.

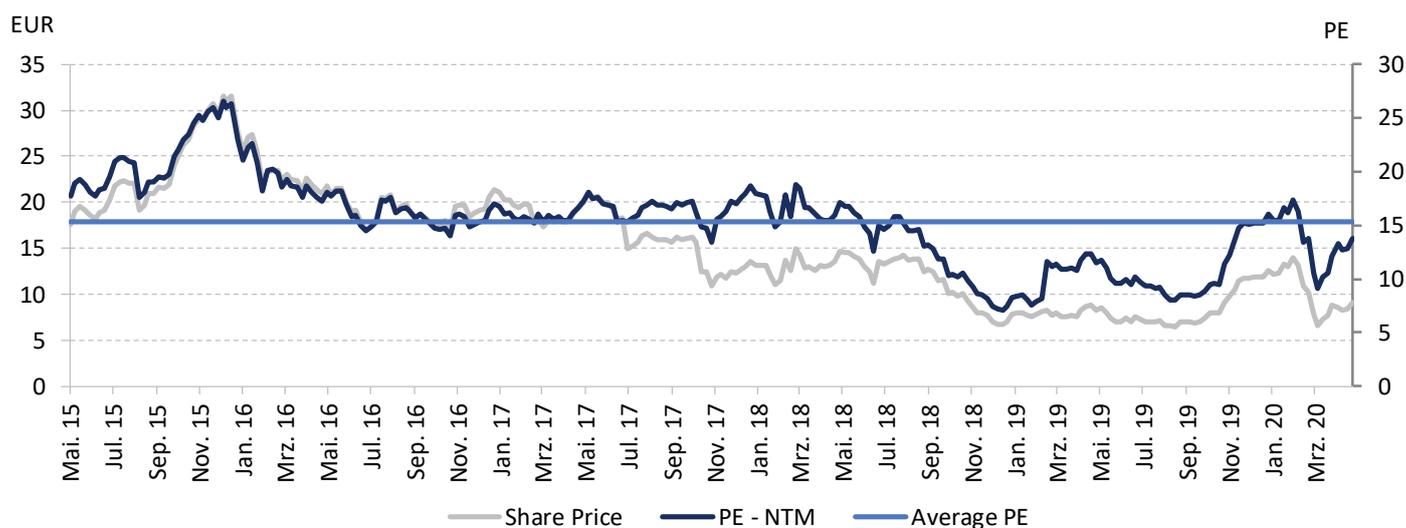
Exhibit 5: Peer group comparison

in m EUR	Origin	Market cap	Sales 2020e	Sales CAGR 3Y	PE 2020e	PE 2021e	EPS CAGR 3Y	EV/EBITDA 2021e	EV/EBITDA 2022e	EBITDA % 2020e
Accenture Plc Class A	IRELAND	98,143	40,697	5%	23.7	22.3	8%	13.2	12.0	18.1%
Cognizant	USA	22,767	14,896	5%	14.5	12.7	12%	7.1	6.2	17.4%
Capgemini SE	FRANCE	14,376	15,819	7%	13.7	11.7	15%	7.1	6.5	14.6%
CGI Inc. Class A	CANADA	9,523	7,910	4%	18.1	16.5	9%	9.6	8.5	19.5%
EPAM Systems, Inc.	USA	10,041	2,380	21%	38.4	30.1	26%	17.5	13.5	17.9%
Median		14,376	14,896	5%	18.1	16.5	12%	9.6	8.5	17.9%
GFT Technologies (Pareto)		223	441	5%	16.7	12.2	9%	5.6	4.5	9.2%
relative		1.6%	3.0%	93.5%	92.0%	74.0%	72.1%	58.6%	53.5%	51.5%

Source: Pareto Securities Research

Our positive view on the share is underpinned by comparing the current valuation of the GFT share with its peer group. Although GFT is the only small cap company in this group, the discount still appears attractive, especially looking through 2020. Also, the GFT share still trades at a discount to its historical PE multiple of around 15x, although this metric does not look as striking anymore as in the mid of March when we published our last update.

Exhibit 6: Historical 12m forward PE



Source: Pareto Securities Research

At a glance

Exhibit 7: 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 (30% 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	<p>Strategy:</p> <p>(I) Being partner of choice for financial sector.</p> <p>(III) Reducing dependency from banking sector / top clients by expanding into other verticals.</p> <p>(III) Ensuring cost competitiveness by an on-, near- and offshore mix of workforce.</p> <p>(IV) Grow workforce by frequent acquisitions.</p> <p>(V) Nurture "exponential" technologies (disruptive / high growth potential).</p> <p>(VI) Anchor shareholder allows for long-term business horizon.</p> <p>(VII) Dividend continuity.</p>	<p>Guidance (05/2020):</p> <p>Revenue: suspended</p> <p>Adj. EBITDA: suspended</p> <p>margin</p>	<p>PAS Estimates:</p> <p>EUR 441m</p> <p>2.7%</p> <p>EUR 45 m</p> <p>9.2%</p>	<p>Consensus:</p> <p>EUR 438m</p> <p>2.1%</p> <p>EUR 50m</p> <p>10.3%</p>						
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	<p>Sales split by region</p> <p>Sales split by client</p> <p>Adj. EBITDA by region</p> <p>Group financial development</p>									
Shareholder structure & management	<p>CEO Marika Lulay</p> <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. 	<p>CFO Dr. Jochen Ruetz</p> <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. 	<p>Shareholder structure</p>							
# 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	441	474	517
EBITDA	45	32	33	38	45	41	49	59
Depreciation & amortisation	(10)	(12)	(15)	(13)	(24)	(24)	(25)	(26)
EBIT	34	20	19	25	21	16	24	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	21	30
Taxes	(6)	(9)	(0)	(3)	(5)	(3)	(5)	(7)
Minority interest	-	-	-	-	-	-	-	-
Net profit	25	9	16	20	14	11	16	23
EPS reported	0.96	0.33	0.60	0.76	0.52	0.40	0.61	0.88
EPS adjusted	0.96	0.33	0.60	0.82	0.60	0.51	0.69	0.93
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	124	132	142
Cash & equivalents	47	62	72	62	56	58	67	79
Total assets	327	366	373	373	435	427	441	460
Total equity	124	117	115	127	133	138	149	165
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	167	170	173
Total liabilities & equity	327	366	373	373	435	427	441	460
CASH FLOW (EURm)	2015	2016	2017	2018	2019	2020e	2021e	2022e
Cash earnings	38	34	20	17	39	36	43	50
Change in working capital	5	(15)	3	27	(2)	(2)	(5)	(7)
Cash flow from investments	(32)	(17)	(9)	(54)	(14)	(15)	(10)	(11)
Cash flow from financing	(3)	13	(3)	(2)	(27)	(18)	(19)	(21)
Net cash flow	9	15	10	(11)	(5)	2	9	12
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	8.5	8.5	8.5
Number of shares end period	26	26	26	26	26	26	26	26
Net interest bearing debt	36	42	39	60	59	57	48	36
Enterprise value	876	590	391	243	372	287	277	266
EV/Sales	2.3	1.4	0.9	0.6	0.9	0.7	0.6	0.5
EV/EBITDA	19.7	18.6	11.7	6.5	8.3	7.1	5.6	4.5
EV/EBIT	25.6	29.9	20.8	9.8	17.4	17.4	11.7	8.1
P/E reported	32.8	63.0	21.8	8.8	22.4	21.0	13.8	9.6
P/E adjusted	32.8	63.0	21.8	8.2	19.4	16.6	12.2	9.1
P/B	6.7	4.6	3.0	1.4	2.3	1.6	1.5	1.3
FINANCIAL ANALYSIS & CREDIT METRICS	2015	2016	2017	2018	2019	2020e	2021e	2022e
ROE adjusted (%)	22.5	7.1	13.5	17.8	12.2	9.9	12.7	15.6
Dividend yield (%)	0.9	1.5	2.3	4.5	1.7	2.4	3.0	4.1
EBITDA margin (%)	11.9	7.5	8.0	9.1	10.5	9.2	10.4	11.3
EBIT margin (%)	9.2	4.7	4.5	6.0	5.0	3.7	5.0	6.4
NIBD/EBITDA	0.82	1.33	1.18	1.59	1.31	1.40	0.97	0.62
EBITDA/Net interest	26.17	18.13	18.83	19.06	18.52	17.67	20.73	24.36

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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	2,010,630	9.63%	SpareBank 1Østfold Akersl	1,140,010	9.20%
Pareto Bank ASA	14,902,985	2134%	Sparebanken Vest	6,111,796	5.69%

Pareto Securities AS or its affiliates own as determined in accordance with Section 13(d) of the US Exchange Act, 1% or more of the equity securities of:

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,010,630	9.63%	SpareBank 1SMN	1,885,567	145%
Pareto Bank ASA	14,902,985	2134%	SpareBank 1Østfold Akersl	1,140,010	9.20%
Selvaag Bolig ASA	2,171,147	2.32%	Sparebanken Møre	305,239	3.09%
SpareBank 1BV	1,655,920	2.63%	Sparebanken Sør	433,149	2.77%
SpareBank 1Nord-Norge	3,246,880	3.23%	Sparebanken Vest	6,111,796	5.69%

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	18,535	Helgeland Sparebank	0	4,127	Schibsted ASA B Aksjer	0	597
Aker	0	791	Ice Group	0	96,891	Seadrill	0	8,689
Aker BP	0	14,269	Jæren Sparebank	0	500	Selvaag Bolig	0	2,000
American Shipping Compar	0	3,500	Komplett Bank	0	104,079	SpareBank 1BV	0	22,700
Atlantic Sapphire	0	1,105	Kongsberg Gruppen	0	34,118	SpareBank 1Nord-Norge	0	27,325
Avance Gas	0	4,580	KWS	75	75	SpareBank 1Ringerike Had	0	500
Axactor	0	8,709	Lerøy Seafood	0	2,050	SpareBank 1SMN	0	22,865
BASF	270	270	Mowi	0	1,904	SpareBank 1SR-Bank	0	30,040
Bonheur	0	46,615	Nordic Semiconductor	0	6,000	Sparebank 1Østfold Akersl	0	450
BRABank	0	1,371,000	Norsk Hydro	0	96,736	SpareBank 1Østlandet	0	2,111
DNB	0	29,705	Norwegian Air Shuttle	0	49,491	Sparebanken Sør	0	15,840
DNO	0	457,388	Ocean Yield	0	39,037	Sparebanken Vest	0	5,869
DNO Bull ETN	0	7,000	Okeanis Eco Tankers	0	2,728	Sparebanken Øst	0	1,500
Entra	0	8,837	Orkla	0	18,644	Stolt-Nielsen	0	42,426
Equinor	0	5,002	Pareto Bank	0	1,279,375	Storebrand	0	6,115
Europris	0	14,750	PGS	0	11,656	Subsea 7	0	1,139
Fjord1	0	50,000	Pioneer Property	0	2,050	Telenor	0	2,731
Fjordkraft Holding	0	8,000	Protector Forsikring	0	14,785	TGS-NOPEC	0	2,000
Frontline	0	11,730	REC Silicon	0	32,708	VOWASA	0	4,781
Gjensidige Forsikring	0	7,280	SalMar	0	200	XXL	0	9,279
Golden Ocean Group	0	1,744	Sandnes Sparebank	0	27,532	Yara International	0	14,253
Grieg Seafood	0	770	Scatec Solar	0	35,000	Zenterio	0	78,865
Hafnia Limited	0	10,000						

This overview is updated monthly (last updated 17.03.2020).

*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:

2020Bulkers	GG. St. Kongensgade 100 og 106	Ocean Yield
Avanzia Bank	Hafnia Limited	Odfjell SE
Africa Energy	Hafslund E-CO	OKEA
African Petroleum Corporation	Hunter Group ASA	Olga Group
Agder Energi	Hörmann Industries	Pareto Bank
Aker ASA	Ice Group	Petroleum Geo-Services
American Tanker	ICWHolding	PetroTal
Belships	Kingfish Zeeland	Pinewood Laboratories
BRABank	Klavness Combination CarriersASA	Pioneer Property Group
BWEnergi	LifeFit	Providences Inv. Mngmt Pty
Cabonline Group Holding AB	Luxaviation Holding	Questa Energy
CentralNic Group	Monobank ASA	Sandnes Sparebank
DNO	Mutares SE & Co. KGaA	Seadrill
Erwe Immobilien	Navig8	Shamran Petroleum
Euromicron AG	Navigator Holdings	Sparebanken Vest
Exmar NV	Norbit ASA	Stolt Nilsen
Filo Mining Corp	Northern Ocean	TEMPTON Dienstleistungen
Flex LNG	Norwegian Air Shuttle	United Camping AB
Floatel	Nouveau Monde Graphite	Vantage Drilling
Genel Energy		

This overview is updated monthly (this overview is for the period 28.02.2019 – 29.02.2020).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	56%
Hold	39%
Sell	5%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	87%
Hold	13%
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 17.03.2020).

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	Green Landscaping Holding	Mentice AB	Sedana Medical
Bionvent	IRRAS AB	Pledpharma AB	ShaM aran Petroleum
Climeon	Jetpak Top Holding AB	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:

ByggPartner i Dalarna Holding	Magnolia Bostad	Sedana Medical	Tethys Oil
Cibus Nordic Real Estate	Saltängen Property Invest	ShaM aran Petroleum	Vostok Emerging Finance
Isofol Medical	SciBase Holding		

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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.

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Baywa	Dermapharm Holding SE	Leifheit	OHB SE
BB Biotest	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 16.04.2020).