

Q2 figures trigger guidance upgrade

MAX Automation reported preliminary headline figures for Q2, which are 1%/31% ahead our revenue and EBITDA estimates. The EBITDA margin continued to be well above 10% as the company is making progress in order execution and struggling segments in the past are now contributing to profitability. Therefore, the EBITDA guidance upgrade of c.8% does not come as a major surprise. Even though the H1-EBITDA cannot not be multiplied by 2x, the implied H2-EBITDA of EUR 13.6m is not very ambitious, in our view. With increased FY 2023e earnings estimates and a new TP of EUR 7 (implied upside potential of 25%), we stick to our Buy rating.

EBITDA guidance increase by c.8%

Driven by a strong earnings development (H1 EBITDA of EUR 27.4m already at 72% of the mid-point of its initial guidance range), MAX Automation lifted its EBITDA guidance for FY 2023e. The company now targets a range of EUR 38m to EUR 44m (prev. EUR 35m to EUR 41m), implying at the mid-point an EBITDA margin of 9.3% (prev. 8.6%). Following the strong Q1 reporting and continued high demand, we had already indicated that the guidance has room for improvement. We believe that in addition to the high demand and related topline development, the company's improved order processing as well as a more cautious stance are the main reasons for the guidance upgrade. We have lifted our FY 2023e EBITDA forecast (EUR 40.5m from EUR 37.1m) in accordance with the guidance, but leave our revenue estimates unchanged.

Q2 prelims ahead of our estimates

Revenues in Q2 increased by c.7% yoy to EUR 107m (PAsE: EUR 105.8m) and EBITDA improved to EUR 14.2m (PAsE: EUR 10.8m). Bear in mind, that the prior year's Q2 figure of EUR 7.7m included losses from the discontinued operations. On the back of a tough comparison base (Q2 2022: +36% yoy), the revenue growth of 7% yoy (H1: +14% yoy) is remarkable, in our view. Backed by the convincing topline development, the Q2 EBITDA margin came in at 13.3%, a further improvement against an already high profitability in Q1 (11.9%). The final Q2 figures are due on August 3.

| EURm | 2021 | 2022 | 2023e | 2024e | 2025e |
|---------------|--------|------|-------|-------|-------|
| Revenues | 349 | 409 | 433 | 455 | 477 |
| EBITDA | 26 | 33 | 41 | 42 | 45 |
| EBIT | 12 | 25 | 31 | 32 | 34 |
| EPS | (0.05) | 0.40 | 0.50 | 0.52 | 0.45 |
| EPS adj | - | - | - | - | - |
| DPS | - | - | - | 0.10 | 0.15 |
| EV/EBITDA | 7.9 | 9.0 | 7.4 | 6.5 | 5.7 |
| EV/EBIT | 17.6 | 12.0 | 9.7 | 8.6 | 7.6 |
| P/E adj | - | - | - | - | - |
| P/B | 3.26 | 2.14 | 2.02 | 1.70 | 1.54 |
| ROE (%) | - | 22.1 | 19.9 | 17.1 | 12.9 |
| Div yield (%) | - | - | - | 1.8 | 2.7 |
| Net debt | 73 | 96 | 67 | 37 | 19 |

Source: Pareto Securities

| | | | |
|--------------------|-----|---|------|
| Target price (EUR) | 7.0 | ▲ | BUY |
| Share price (EUR) | 5.6 | - | HOLD |
| | | ▼ | SELL |

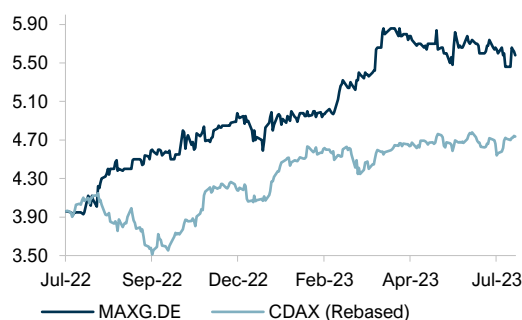
Forecast changes

| % | 2023e | 2024e | 2025e |
|--------------|-------|-------|-------|
| Revenues | - | - | - |
| EBITDA | 9 | - | NM |
| EBIT adj | 13 | - | - |
| EPS reported | 21 | - | - |
| EPS adj | NM | NM | NM |

Source: Pareto Securities

| | |
|-----------------------------|-----------------|
| Ticker | MAXG.DE, MXH GR |
| Sector | Industrials |
| Shares fully diluted (m) | 41.2 |
| Market cap (EURm) | 230 |
| Net debt (EURm) | 67 |
| Minority interests (EURm) | 3 |
| Enterprise value 23e (EURm) | 300 |
| Free float (%) | 37 |

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

Valuation

Driven by slightly higher estimates and multiple expansions, we derive from our DCF and peer group models a blended TP of EUR 7.00 (prev. EUR 6.70).

DCF model

| EURm | Phase I | | | | | Phase II | | | | | Phase III |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | 2032e | |
| Revenues | 433 | 455 | 477 | 501 | 526 | 550 | 572 | 592 | 610 | 625 | |
| growth rate | 5.8% | 5.0% | 5.0% | 5.0% | 5.0% | 4.5% | 4.0% | 3.5% | 3.0% | 2.5% | |
| EBIT | 30 | 30 | 33 | 35 | 37 | 40 | 43 | 45 | 48 | 50 | |
| EBIT margin | 6.9% | 6.7% | 6.8% | 7.0% | 7.1% | 7.3% | 7.4% | 7.6% | 7.8% | 8.0% | |
| Tax | (1.5) | (1.5) | (9.1) | (9.8) | (10.4) | (11.2) | (11.9) | (12.6) | (13.3) | (14.0) | |
| Tax rate | 5% | 5% | 28% | 28% | 28% | 28% | 28% | 28% | 28% | 28% | |
| Depr. & Amort. | 10.8 | 11.4 | 11.9 | 12.5 | 13.2 | 13.6 | 14.0 | 14.5 | 14.9 | 15.2 | |
| % of sales | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.4% | 2.4% | 2.4% | |
| Capex | (10.3) | (11.6) | (12.2) | (12.8) | (13.5) | (13.9) | (14.4) | (14.8) | (15.3) | (15.6) | |
| % of sales | 2.4% | 2.6% | 2.6% | 2.6% | 2.6% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | |
| Change in WC & P | 6.6 | 5.8 | 1.8 | (2.9) | (3.0) | (3.1) | (3.3) | (3.4) | (3.5) | (3.4) | |
| % of sales | -1.5% | -1.3% | -0.4% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | |
| Free Cash Flow | 35.4 | 34.4 | 25.0 | 21.9 | 23.5 | 25.3 | 27.0 | 28.8 | 30.5 | 32.2 | 492 |
| growth rate | nm | -2.9% | -27.4% | -12.2% | 7.1% | 7.6% | 7.0% | 6.4% | 5.8% | 5.7% | 2.0% |
| Present Value FCF | 34.1 | 30.5 | 20.4 | 16.5 | 16.2 | 16.1 | 15.8 | 15.5 | 15.1 | 14.7 | 224 |

| | | | | | | | | |
|----------------------------------|-------------|-----------------------|------|----------------------------|------|------|------|------|
| PV Phase I | 118 | Risk free rate | 3.5% | Targ. equity ratio | 75% | | | |
| PV Phase II | 77 | Premium Equity | 5.0% | Beta | 1.4 | | | |
| PV Phase III | 224 | Premium Debt | 2.0% | WACC | 8.7% | | | |
| Enterprise value | 419 | | | | | | | |
| - Net Debt (Cash) | 96 | Sensitivity | | Growth in phase III | | | | |
| - Pension Provisions | 1 | | 1.0% | 1.5% | 2.0% | 2.5% | 3.0% | |
| - Minorities & Peripherals | 1 | WACC | 7.8% | 8.2 | 8.7 | 9.3 | 9.9 | 10.7 |
| + MV of financial assets | 45 | | 8.2% | 7.6 | 8.0 | 8.5 | 9.0 | 9.7 |
| - Paid-out dividends for last FY | - | | 8.7% | 7.1 | 7.4 | 7.8 | 8.3 | 8.8 |
| +/- Other EV items | | | 9.1% | 6.6 | 6.9 | 7.2 | 7.6 | 8.1 |
| | | | 9.5% | 6.1 | 6.4 | 6.7 | 7.0 | 7.4 |
| Equity value | 367 | | | | | | | |
| Number of shares | 41.2 | | | | | | | |
| Value per share (€) | 8.90 | | | | | | | |
| Current Price (€) | 5.70 | | | | | | | |
| Upside | 56% | | | | | | | |

Source: Pareto Securities

Peer group model

| Company | EV/EBIT | | EV/Sales | |
|--|-------------|------------|------------|------------|
| | 2023e | 2024e | 2023e | 2024e |
| Blue Cap AG | 16.1 | 11.3 | 0.5 | 0.5 |
| GESCO AG | 5.6 | 4.6 | 0.5 | 0.4 |
| INDUS Holding AG | 8.2 | 6.6 | 0.6 | 0.5 |
| MS Industrie AG | 16.4 | 9.5 | 0.6 | 0.5 |
| Median | 12.1 | 8.0 | 0.5 | 0.5 |
| MAX Automation SE | 8.8 | 7.7 | 0.6 | 0.5 |
| relative | 72.9% | 96.5% | 110.8% | 105.0% |
| Fair value per share at peer median | 7.1 | 5.0 | 4.1 | 4.5 |
| Fair value / share (average) | 5.18 | | | |

Source: FactSet, Pareto Securities

| PROFIT & LOSS (fiscal year) (EURm) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
|---|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Revenues | 277 | 425 | 307 | 349 | 409 | 433 | 455 | 477 |
| EBITDA | 24 | (1) | 6 | 26 | 33 | 41 | 42 | 45 |
| Depreciation & amortisation | (10) | (15) | (25) | (14) | (11) | (11) | (11) | (12) |
| EBIT | 12 | (31) | (19) | 12 | 25 | 31 | 32 | 34 |
| Net interest | (3) | (4) | (9) | (8) | (9) | (11) | (11) | (11) |
| Other financial items | - | - | - | - | - | - | - | - |
| Profit before taxes | 10 | (34) | (29) | 3 | 16 | 20 | 20 | 22 |
| Taxes | 2 | (1) | 2 | (4) | (1) | (1) | (1) | (6) |
| Minority interest | 5 | 1 | (0) | (1) | (0) | (2) | (2) | (2) |
| Net profit | (31) | (35) | (26) | (1) | 15 | 21 | 21 | 18 |
| EPS reported | (1.05) | (1.18) | (0.90) | (0.05) | 0.40 | 0.50 | 0.52 | 0.45 |
| EPS adjusted | - | - | - | - | - | - | - | - |
| DPS | 0.90 | 0.23 | - | - | - | - | 0.10 | 0.15 |
| BALANCE SHEET (EURm) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
| Tangible non current assets | 25 | 64 | 59 | 55 | 57 | 57 | 57 | 57 |
| Other non-current assets | 63 | 69 | 50 | 49 | 86 | 86 | 86 | 86 |
| Other current assets | 245 | 184 | 125 | 143 | 194 | 182 | 169 | 166 |
| Cash & equivalents | 32 | 41 | 48 | 30 | 36 | 64 | 94 | 113 |
| Total assets | 364 | 357 | 282 | 278 | 373 | 389 | 406 | 422 |
| Total equity | 92 | 68 | 40 | 41 | 94 | 117 | 140 | 156 |
| Interest-bearing non-current debt | - | - | 114 | 1 | 117 | - | - | - |
| Interest-bearing current debt | - | - | 1 | 86 | 1 | - | - | - |
| Other Debt | 273 | 289 | 127 | 150 | 162 | 272 | 266 | 266 |
| Total liabilities & equity | 364 | 357 | 282 | 278 | 373 | 389 | 406 | 422 |
| CASH FLOW (EURm) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
| Cash earnings | 101 | (68) | 58 | 36 | (44) | 46 | 47 | 37 |
| Change in working capital | (80) | 44 | (33) | (9) | 41 | (7) | (6) | (2) |
| Cash flow from investments | (13) | (7) | (9) | (3) | (8) | (10) | (12) | (12) |
| Cash flow from financing | 0 | 39 | (20) | (42) | 16 | - | - | (4) |
| Net cash flow | 7 | 7 | 7 | (18) | 6 | 29 | 30 | 19 |
| VALUATION (EURm) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
| Share price (EUR end) | 4.80 | 4.59 | 4.22 | 4.40 | 4.83 | 5.6 | 5.6 | 5.6 |
| Number of shares end period | 29 | 29 | 29 | 29 | 41 | 41 | 41 | 41 |
| Net interest bearing debt | 46 | 101 | 85 | 73 | 96 | 67 | 37 | 19 |
| Enterprise value | 183 | 237 | 210 | 204 | 296 | 300 | 272 | 256 |
| EV/Sales | 0.7 | 0.6 | 0.7 | 0.6 | 0.7 | 0.7 | 0.6 | 0.5 |
| EV/EBITDA | 7.6 | - | 37.1 | 7.9 | 9.0 | 7.4 | 6.5 | 5.7 |
| EV/EBIT | 14.8 | - | - | 17.6 | 12.0 | 9.7 | 8.6 | 7.6 |
| P/E reported | - | - | - | - | 12.1 | 11.2 | 10.8 | 12.5 |
| P/E adjusted | - | - | - | - | - | - | - | - |
| P/B | 1.5 | 2.0 | 3.1 | 3.3 | 2.1 | 2.0 | 1.7 | 1.5 |
| FINANCIAL ANALYSIS | 2018 | 2019 | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
| ROE adjusted (%) | - | - | - | - | - | - | - | - |
| Dividend yield (%) | 18.8 | 5.0 | - | - | - | - | 1.8 | 2.7 |
| EBITDA margin (%) | 8.7 | - | 1.8 | 7.4 | 8.0 | 9.4 | 9.2 | 9.3 |
| EBIT margin (%) | 4.4 | - | - | 3.3 | 6.0 | 7.2 | 7.0 | 7.1 |
| NIBD/EBITDA | 1.91 | (113.10) | 15.08 | 2.84 | 2.93 | 1.65 | 0.90 | 0.42 |
| EBITDA/Net interest | - | - | - | 1.52 | 3.79 | - | - | - |

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 anew 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 % |
|-----------------------------|---------------|---------------|
| Austevoll Seafood | 1,052,265 | 0.52% |
| Bonheur | 243,584 | 0.57% |
| Huddly | 1,170,943 | 0.56% |
| Pareto Bank | 14,732,232 | 21.09% |
| Pexip Holding | 879,095 | 0.84% |
| Sparebank 1 Nord-Norge | 5,013,471 | 4.99% |
| Sparebank 1 SMN | 2,944,812 | 2.27% |
| Sparebank 1 SR-Bank | 2,440,402 | 0.95% |
| Sparebank 1 Østfold Akerhus | 1,237,140 | 9.99% |
| Sparebank 1 Østlandet | 6,628,097 | 6.24% |
| Sparebanken Møre | 566,833 | 1.15% |
| Sparebanken Sør | 333,149 | 0.80% |
| Sparebanken Vest | 8,470,868 | 7.72% |
| NEXT Biometrics | 700,000 | 0.76% |
| Sparebank 1 Sør-Øst-Norge | 2,757,852 | 4.37% |

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 |
|------------------------------|-------------------|----------------|
| Adevinta | 0 | 17,950 |
| Aker ASA | 500 | 2,238 |
| Aker BP | 0 | 18,910 |
| Aker Horizons | 0 | 302,397 |
| Aker Solutions | 0 | 1,388 |
| AMSC ASA | 0 | 3,600 |
| Aprilia Bank ASA | 0 | 22,675 |
| Atlantic Sapphire | 0 | 7,500 |
| AURELIUSEquity Opportunities | 0 | 500 |
| Austevoll Seafood | 0 | 3,648 |
| Awilco LNG | 0 | 30,000 |
| Belships | 0 | 40,000 |
| BioInvent | 0 | 15,000 |
| BlueNord | 0 | 1,000 |
| Bonheur | 0 | 30,714 |
| Borrregaard ASA | 0 | 523 |
| Bouvet | 0 | 980 |
| BW Energy | 0 | 108,416 |
| BW Offshore | 0 | 4,900 |
| Coalf Company | 0 | 5,000 |
| Crayon | 0 | 9,082 |
| DNB | 0 | 33,447 |
| DNO | 0 | 71,391 |
| Edda Wind | 0 | 5,000 |
| Elkem | 0 | 42,520 |
| Elmeria Group ASA | 0 | 37,305 |
| Embracer Group | 0 | 11,509 |
| Equinor | 0 | 4,034 |
| Europris | 0 | 17,745 |
| Flex LNG | 0 | 895 |

| Company | Analyst holdings* | Total holdings |
|------------------------------|-------------------|----------------|
| Frontline | 0 | 8,000 |
| Gaming Innovation Group | 0 | 10,000 |
| Gjensidige Forsikring | 519 | 1,960 |
| Grieg Seafood | 0 | 13,491 |
| Hafnia Ltd. | 0 | 119,770 |
| Huddly | 0 | 1,170,943 |
| HydrogenPro | 0 | 34,922 |
| International Petroleum Corp | 0 | 5,511 |
| Kahoot | 0 | 26,641 |
| Kambi Group plc | 0 | 430 |
| Kitron | 0 | 2,314 |
| Komplett Bank | 0 | 130,300 |
| Kongsberg Gruppen | 0 | 500 |
| Leasbank | 0 | 16,355 |
| Lerøy Seafood Group | 0 | 38,401 |
| Mowi | 0 | 6,004 |
| Multitude | 0 | 2,443 |
| NEXT Biometrics | 0 | 700,000 |
| NorAm Drilling | 0 | 6,883 |
| NORBIT ASA | 0 | 1,706 |
| Nordic Semiconductor | 0 | 11,398 |
| Norsk Hydro | 0 | 75,711 |
| Norske Skog | 0 | 95,406 |
| Norwegian Air Shuttle | 0 | 4,009 |
| Odjell Drilling | 0 | 2,081 |
| Okeanos Eco Tankers | 0 | 6,206 |
| Orkla | 0 | 7,426 |
| Panoro Energy | 0 | 34,733 |
| Pareto Bank | 0 | 761,886 |
| Petro-Tal | 0 | 74,000 |
| Pexip Holding | 0 | 879,095 |
| Protector Forsikring | 0 | 7,300 |
| Pyrum Innovations | 0 | 100 |
| Quantafuel | 0 | 23,665 |
| REC Silicon | 0 | 32,539 |
| Salmor | 0 | 1,224 |
| Sandnes Sparebank | 0 | 2,500 |
| Scatec | 0 | 20,129 |
| Saadrii Ltd | 0 | 10,489 |
| Solstad Offshore | 0 | 122,500 |
| Sparebank 1 Nord-Norge | 725 | 7,794 |
| Sparebank 1 SMN | 0 | 6,450 |
| Sparebank 1 SR-Bank | 0 | 7,572 |
| Sparebank 1 Østlandet | 1,100 | 11,100 |
| Sparebanken Møre | 0 | 1,080 |
| Sparebanken Sør | 0 | 15,840 |
| Sparebanken Vest | 0 | 2,009 |
| Sparebanken Øst | 0 | 1,100 |
| Stolt-Nielsen | 0 | 3,800 |
| Storbrand | 100 | 3,110 |
| Storlytel | 0 | 11,390 |
| Subsea 7 | 0 | 21,470 |
| Teekay Tankers | 0 | 208 |
| Telenor | 0 | 3,005 |
| TGS | 0 | 10,830 |
| Transocean | 0 | 10,000 |
| Valaris | 0 | 3,100 |
| Vestas Wind Systems | 0 | 1,235 |
| Vår Energi | 0 | 160,229 |
| Webstep | 0 | 2,000 |
| Wiit. Wilhelmsen Holding | 0 | 229 |
| Yara | 0 | 17,149 |
| Zaptec | 0 | 16,200 |

This overview is updated monthly (last updated 15.06.2023).

*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:

Add Energy wheel.me
Akerhus Energi Varme AS Ziton AS
American Shipping Company
Archer
B2Holding AS
Bekkg og Strøm AS, Siv Vattenkraft AB
Benchmark Holdings
BioInvent
Bluewater Holding
Borr Drilling
Cadeler
CCSFinansiering AS
CERAFITTEC
Cloudberry Clean Energy
COOL Company
DNO
Dolphin Drilling
Edda Wind
EDR Certified Origin Physical Gold Plc
Eidesvik Offshore
Endur ASA
Fertiberia Corporate S.L.U.
First Camp Group
Fishbase Group AS
Floatel
Golar LNG
Hafnia Ltd.
Hertha BSC
Hospitality Invest
House of Control
HydrogenPro
Idavang AS
Instabank ASA
Island Green Power Ltd
Kezzer AS
KMC Properties
Komplett Bank
Kraft Bank
Kron AS
Kruise Smith
Kvitbjørn Energi AS
Magnora ASA
Maha Energy
Memmo Family
Mime Petroleum
Morrow Bank
Mutares SE & Co. KGaA
NorAm Drilling
Nordic Unmanned
Norco
Norlandia Health & Care Group
Norse Atlantic
Norske Skog
Northern Ocean
PGS
PHM Group Holding Holding
Pallight ASA
Prosaf e
Proximar Seafood
PulPac AB
Quality Living Residential AS
ReFuels
ReFuels N.V.
RelyOn Nutec AS
Salmon Evolution
Scala Eiendom
Schleiser International B.V.
Seacrest Petroleum
Skandia GreenPower
Standard Supply AS
Tasik Toba Subsea AS
Tise AS
Treasure ASA
Vantage Drilling International
Viking Venture 27 AS
Viking Venture 28 AS
Waldorf Production Ltd.
Wattrif EV

This overview is updated monthly (this overview is for the period 01.06.2022 – 31.05.2023).

Appendix C

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

Distribution of recommendations

| Recommendation | % distribution |
|----------------|----------------|
| Buy | 73% |
| Hold | 25% |
| Sell | 2% |

Distribution of recommendations (transactions*)

| Recommendation | % distribution |
|----------------|----------------|
| Buy | 100% |
| Hold | 0% |
| 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 12.06.2023).

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:

| | | |
|---------------------------------------|--------------------------|--------------------------|
| ADDVise Group AB | Cinis Fertilizer AB | Renewcell AB |
| Adtraction Group AB | Hanza AB | Xbrane Biopharma AB |
| Artificial Solutions International AB | Hexicon AB | Xspray Pharma AB |
| Azelio AB | Linkfire AS | Vicore Pharma Holding AB |
| Boule Diagnostics AB | Media & Games Invest plc | VNV Global AB |
| Cibus Nordic Real Estate AB | NGEX Miner als Ltd | |

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:

| | | |
|---------------|---------------------------|--------------------|
| Adtraction AB | Media & Games Invest plc. | Sedana Medical AB |
| Implantica AG | Mentice AB | Signup Software AB |
| Linkfire | Modelon AB | VEF |

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 | Hallsell Property Invest AB | Mälarsén AB |
| Backaheden Fastighets AB | Korsängen Fastighets AB (publ) | One Public Fastighets AB |
| Bonäsudden Holding AB (publ) | Krona Public Real Estate AB | Origo Care AB (publ) |
| Borglunda Fastighets AB | Logistri Fastighets AB | Preserium Property AB |
| Fleming Properties 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 14.07.2023).

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 provision of the designated sponsor services.

| | | |
|-----------------------------------|------------------------------|--------------------------------------|
| 2G Energy AG | IVU Traffic AG | Pryme B.V. |
| adpepper media International N.V. | Kontron AG | PSI AG |
| Biotech AG | Leifheit AG | Pyrum Innovations AG |
| Biotech AG Pf.d. | Logwin AG | Salmones Camanchaca S.A. |
| Cor estate Capital Holding S.A. | manz AG | Seven Principles AG |
| Daldrup & Söhne AG | MAX Automation SE | SHOP APOTHEKE EUROPE N.V. |
| DEMIRE AG | Merkur Privatbank AG | SMT Scharf AG |
| DF Deutsche Forfait AG | Meta Wolf AG | Surteco AG |
| epigenomics AG | MPL SE | Szygy AG |
| Foris AG | MPC Container Ships ASA | TTL Beteiligungs- und Grundbesitz AG |
| Gesco AG | Muehlhahn AG | Uzin Utz SE |
| GFT Technologies SE | Mutar es SE & Co. KGaA | VERIANOSSE |
| Gigaset AG | OVB Holding AG | Viscom AG |
| Heidelber g Pharma AG | ProCredit Holding AG | WPU - Waste Plastic Upcycling AS |
| INTERSHOP Communications AG | Progr ess-Werk Oberkir ch AG | |

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.

| | | |
|-------------------------------|-----------------------------|------------------------------|
| 2G Energy AG | Gesco AG | Mutar es SE & Co. KGaA |
| BayWa AG | GFT Technologies SE | Mynaric AG |
| BB Biotech AG | Gigaset AG | OHB SE |
| Biotech AG | Heidelber g Pharma AG | ProCredit Holding AG |
| Biotech AG Pf.d. | Hypoport SE | Progr ess-Werk Oberkir ch AG |
| Cliq Digital AG | INTERSHOP Communications AG | PSI AG |
| Daldrup & Söhne AG | Kontron AG | Siegr ied Holding AG |
| Delignit | Leifheit AG | SMT Scharf AG |
| Der maphar m Holding SE | Logwin AG | Surteco AG |
| Enapter AG | MAX Automation SE | Szygy AG |
| epigenomics AG | Mer kur Privatbank AG | Viscom AG |
| Expr es2on Biotech Holding AB | MPL SE | |

This overview is updated monthly (last updated 17.07.2023).