

Acquisition of Bank Schilling as right strategic step



Two weeks ago Merkur Bank announced the acquisition of large parts of the banking business of Bank Schilling for a mid double-digit EUR sum. We see this transformational deal as the right strategic step for Merkur Bank as it will reduce its dependence on the real estate developer finance business, strengthen its private banking activities and significantly increase its earnings. The takeover will be financed through various capital measures. As the closing is expected for Q4 '19 we have not yet taken into account the acquired business for our estimates. Under a scenario analysis we have however calculated fair values of between EUR 10.60 and EUR 12.69 for Bank Merkur (under this name will the two banks operate in the future), i.e. the deal looks also attractive from a financial point of view. We wait for the closing to update our earnings estimates. For the time being we stick to our Buy rating with a TP of EUR 10.50.

Bank Schilling

Bank Schilling, which is headquartered in Hammelburg (Northern Bavaria) focuses on private banking but is also active in leasing, in SME loans and bond trading. It has EUR 1.4bn of private banking assets under management. The bank has 16 branches (incl. Hammelburg) in Bavaria, Rhineland Patina, Hesse, North Rhine-Westphalia, Thuringia and Baden Württemberg. Total assets amounted to EUR 1bn at the end of 2018, total loan book stood at EUR 618m. Last year the bank reached a net profit of EUR 4.4m (pretax profit of EUR 9.8m), CT 1 ratio stood at 16.1%. End of 2018 Bank Schilling had 237 employees.

Closing planned for Q4 2019

The closing of the transaction is planned for Q4 2019.

EURm	2016	2017	2018	2019e	2020e
M.cap.	38	45	46	53	53
NII	23	23	29	38	38
Other inc.	1	1	1	1	1
Op.costs	(23)	(24)	(24)	(26)	(26)
L.losses	2	(0)	(0)	(1)	(1)
Net profit	3	3	4	4	4
EPS	0.61	0.60	0.64	0.67	0.69
EPS adj	0.61	0.60	0.64	0.67	0.69
P/E	10.9	13.0	12.7	14.0	13.6
P/B	0.84	0.93	0.93	1.03	0.99
Yield (%)	3.9	3.8	3.9	3.6	3.7
ROE (%)	7.5	7.4	7.5	7.5	7.4

Source: Pareto

Target price (EUR)	10.5
Share price (EUR)	9.4

Forecast changes			
%	2018	2019e	2020e
NII	-	-	-
Operating income	-	-	-
PBLL	-	-	-
EPS	-	-	-

Source: Pareto

Ticker	MBKG.DE, MBK GY
Sector	Banks
Shares fully diluted (m)	5.7
Market cap (EURm)	53

Performance



Source: Factset

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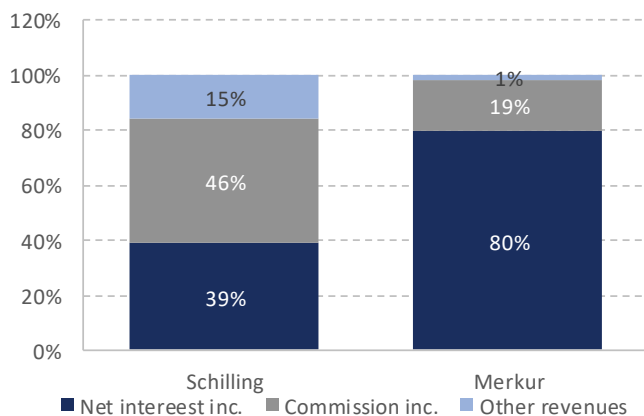
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The new bank should have a more even revenue mix

Good strategic fit

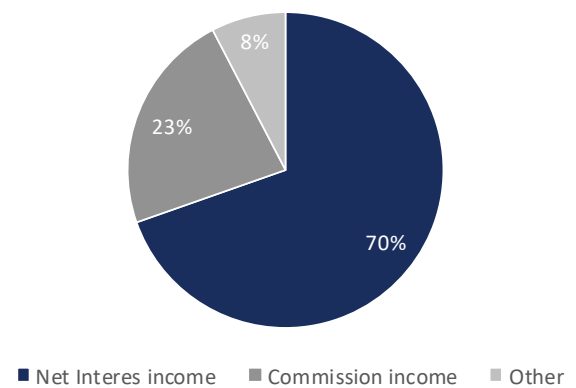
Purchase price looks attractive at first glance taking into account the information we have but more importantly we like the good strategic fit of the two banks. Despite its attempts to build up the leasing / SME lending business and its retail banking activities the residential real estate developer business is still the key earnings driver of Merkur Bank with estimated more than 75% of earnings coming from this business. In case of a contraction of the residential real estate market in Munich, which is by far the most important region for Merkur Bank, the bank would not only face possibly rising risk provisions but a possible decline of the loan book would result in a lower net interest income as well. The high dependence on net interest income is reflected in the fact that 80% of Merkur Bank's revenues came from net interest income in 2018. Schilling Bank has through its private banking activities a much higher net commission income and generates only 39% of total revenues from net interest income. The new bank will have a much more even revenue mix than Merkur Bank with estimated 70% coming from net interest income and 23% from commission income. We see this development positively as it should make Merkur Bank's earnings development more resilient against possible contractions of the residential real estate market in Southern Germany.

Exhibit 1: Comparison of the revenue mix of the two banks



Source: Pareto Securities Research, Merkur Bank, Bank Schilling

Exhibit 2: Revenue mix of the new Merkur Bank



Source: Pareto Securities Research

Funding of the acquisition

Merkur Bank intends to raise equity capital of EUR 24.5m through the following measures:

- Capital increase with subscription rights:** Issuance of 1.4m shares for a fixed subscription price of EUR 9.50 (subscription right ratio at 4:1). This should bring gross proceeds of around EUR 13.5m. The subscription period runs from August 29 until September 11.
- Capital increase in kind:** Merkur Bank plans to raise EUR 6.4m of equity via a capital increase in kind as a part of the purchase price claim will be contributed in kind.
- The personally liable partners will increase their capital share by EUR 4.5m.

According to the CEO of Merkur Bank, Dr. Marcus Lingel, all these capital measures are secured i.e. the deal is fully funded.

Capital impact

We estimate that Merkur Bank has paid c. EUR 50m for Bank Schilling. Bank Schilling had total equity (incl. funds for general banking risk) of EUR 110m and RWAs of EUR 676m at the end of 2018. As Merkur Bank will not purchase the complete bank we assume that it acquires only around 90% of the RWAs, i.e. circa EUR 608m. Taking into account the capital increase and Bank Schilling's fund for

Bank Schilling with average pretax profit of EUR 12.6m during last three years

general banking risk of EUR 48m (12 2018) we expect Merkur Bank's CT1 ratio to remain broadly stable at around 10%.

Financial impact – scenario analysis

As the transaction has not yet been closed we have not changed our earnings estimates, i.e. we have not taken into account Bank Schilling's earnings. We will do so, once the transaction has been closed.

As we want to show the financial impact of the transaction we have calculated a scenario analysis for the earnings development for 2019e and 2020e.

Bank Schilling has achieved an average annual net profit of EUR 4.4m and an average annual pretax profit of EUR 12.6 m during the last three years. In 2018 it has reached a pretax profit of EUR 9.8m and a net profit of EUR 4.4m. We have conservatively assumed no earnings growth for Bank Schilling in 2019e and 2020e, no restructuring costs or synergies taken into account as Dr. Lingel has been quoted in a newspaper article that he wants to keep all of Bank Schilling's employees on board. We have calculated with 90% of Bank Schilling's earnings as Merkur Bank will not take over the full bank and for 2019e we have assumed transaction-related costs of EUR 1.5m for the takeover which should be booked in H2 2019. Note that Merkur Bank plans to fully consolidate Bank Schilling from July 1, 2019 onwards.

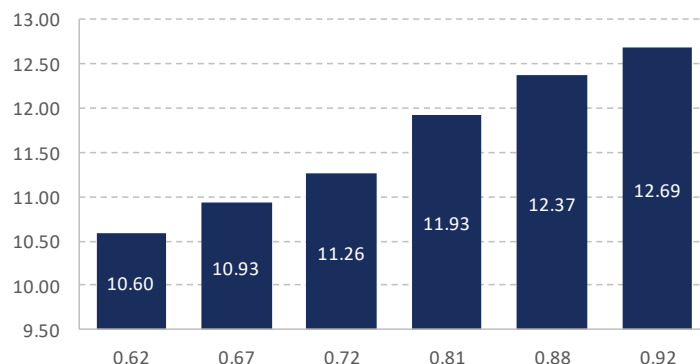
Exhibit 3: P&L Bank Schilling: Historic development in EUR m

	2016	2017	yoy	2018	yoy
Net interest income	17.18	14.36	-16%	14.13	-2%
Commission income	15.84	19.13	21%	16.52	-14%
Other revenues	7.70	8.40	9%	5.61	-33%
Total Revenues	40.72	41.90	3%	36.25	-13%
Administrative expenses	25.43	27.15	7%	26.20	-4%
CIR	62%	65%	nm	72%	nm
Risk provisions	2.06	0.00	-100%	0.22	nm
Pretax profit	13.22	14.74	12%	9.84	-33%
Fund for general banking risks	4.80	6.26	30%	2.88	-54%
Taxes	4.07	4.16	2%	2.60	-37%
Net profit	4.35	4.33	-1%	4.35	1%

Source: Pareto Securities Research, Schilling Bank

Based upon these assumptions we have calculated an EPS of between EUR 0.62 and EUR 0.92 for 2020e, depending on the contribution to the general fund for banking risks of the new bank. Applying Merkur Bank's current 2020e PER and P/B multiples we derive a possible fair value for the new bank of between EUR 10.60 and EUR 12.69 depending on the future earnings contribution of Bank Schilling.

Exhibit 4: Scenario analysis – fair value of Merkur Bank post the acq. depending on 2020e EPS



Source: Pareto Securities Research

Buy recommendation with target price of EUR 10.50 confirmed

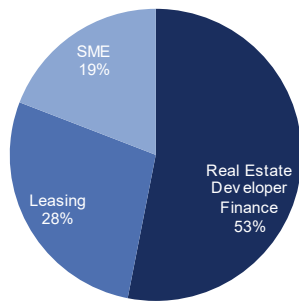
Valuation and recommendation

As already explained we see the takeover positively as it should improve Merkur Bank's risk profile and significantly increase its future earnings potential. Hence, we stick to our Buy recommendation with a target price of EUR 10.50. In case of a successful closing of the transaction and depending on Bank Schilling's future earnings contribution we see fair values of up to EUR 13 as possible.

Our valuation is based upon a Dividend Discount Model, a Gordon Growth Model and a Peer Group Analysis. For the Peer Group Analysis we have taken into account other German banks; as some of these banks are significantly bigger than Merkur Bank the peer group comparison must be seen in combination with the two other valuation approaches, which we regard as more appropriate. From the weighted average of the three calculated fair values we have derived a target price of EUR 10.50. Given a share price upside of 10% we recommend buying the shares.

Exhibit 5: Investment Case in Charts

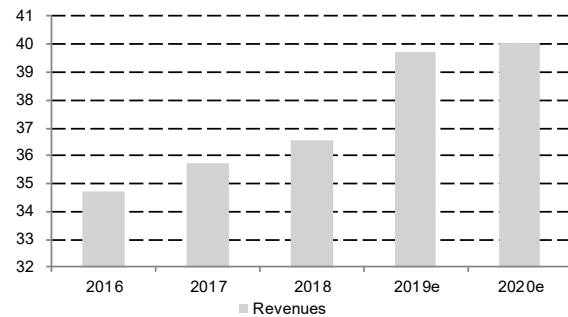
Loan portfolio split by business unit (12 2018)



Commercial Real Estate Developer Financing business is Merkur Bank's key revenue pillar.

Source: Merkur Bank, Pareto Research

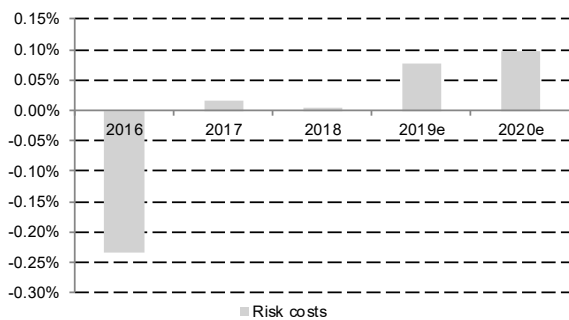
Revenues should grow ...



The strong revenues growth in 2019e should mainly result from an expected strong increase of the loan volume.

Source: Merkur Bank, Pareto Research

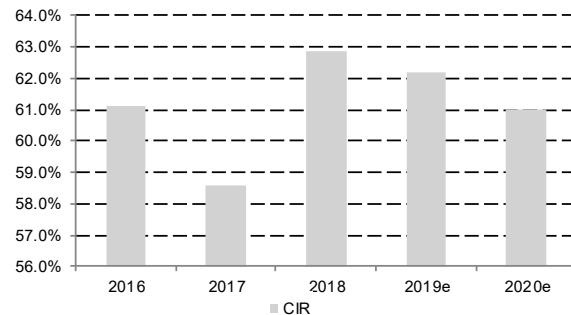
... while risk costs should remain low



Risk costs should remain on low level as we expect the benign commercial real estate environment to continue.

Source: Merkur Bank, Pareto Research

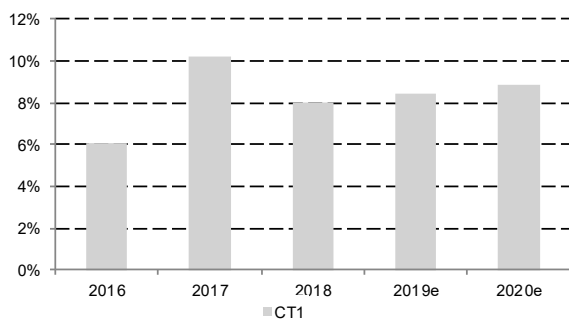
Efficiency is solid with a CIR of slightly above 60%



CIR is at relatively low level. We see however no room for further improvement as Merkur Bank is already operating quite efficiently.

Source: Merkur Bank, Pareto Research

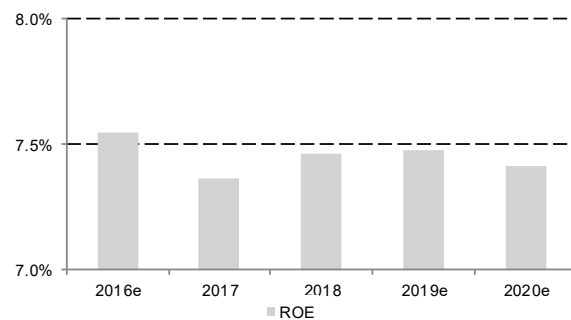
Capitalization on sufficient level



With an estimated CT1 ratio of 10% in 2018 we see Merkur Bank sufficiently capitalized.

Source: Merkur Bank, Pareto Research


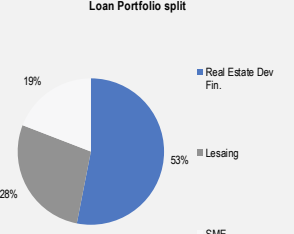
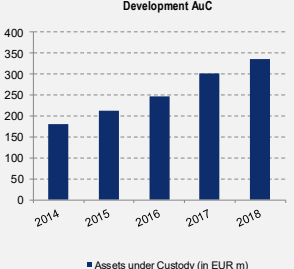
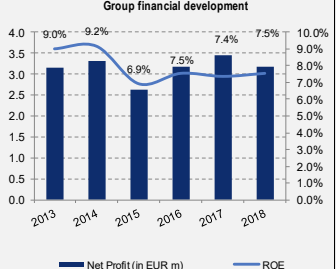
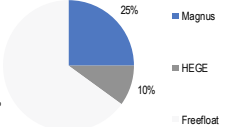
Solid Profitability



With an expected ROE of around 7.5% for 2019e Merkur Bank has a solid profitability.

Source: Merkur Bank, Pareto Research

Exhibit 6: At a Glance

Business Areas	Corporate Banking	Retail / Private Banking									
Company Profile	 <p>MERKUR Bank is a private bank, located in Munich, focusing on corporate and retail banking. While it has expanded its retail banking activities in recent years, residential real estate developer finance remains its most important business. MERKUR Bank has the legal status of a KGaA and is listed on the Munich stock exchange.</p>										
Business Focus	MERKUR Bank offers residential real estate developer finance, leasing and classical loans to its customers with a clear focus on developer loans. Total corporate loans amount to around EUR 1.15bn.	In Retail / Private Banking MERKUR Bank offers retail banking services both online and through its four branches to its customers. It has more than EUR 300m assets under custody.									
Customers	MERKUR Bank's customer are SME customers. While in real estate financing they comprise different real estate investors, they include traditional SME in the other segments.	MERKUR Bank's customers are classical retail customers which should be somewhat more affluent than the average retail customer.									
Regional Focus	Regional Focus in real estate developer finance is Munich and to a lesser extent Stuttgart and Nuremberg.	Regional Focus is Bavaria, Thuringia and Saxony with the branches being located in Munich, Jena, Plauen and Auerbach.									
Market share/ positioning	MERKUR Bank's market share should be insignificant overall but in its core market Munich MERKUR Bank should be among the established players in its niche.	MERKUR Bank's market share in the German retail banking market insignificant.									
Drivers	Apart from the general macroeconomic development in Germany, the overall demand for housing in Munich and thus new construction activity is the key driver for MERKUR Bank's revenues.	We see two developments which should be beneficial for MERKUR Bank: 1) The ongoing branch closures of the market leaders (savings and mutual banks) should continue to be beneficial for MERKUR Bank as it should help it to further grow its assets under custody. 2) The low interest rate environment forces people to invest its assets into riskier assets which should be beneficial for banks/asset managers offering asset management services.									
Asset Quality	We do not have any NPL figures for MERKUR Bank but based upon the current very favorable housing market in Munich, particularly the high demand for new housing, and the company's statement we assume that NPLs are currently on low levels. Clearly, a deterioration of the housing market in Munich should lead to rising NPLs.										
Capitalization	With a CT 1 ratio of 10% (2018; Pareto estimate) and total capital ratio of 15.3% MERKUR Bank fulfills the regulatory requirements but capitalization, unlike in the years before the CT 1 ratio, is not a weak spot anymore for MERKUR Bank, i.e. the bank should be able to take advantage of future growth opportunities.										
Strategy & Guidance	<p>Strategy:</p> <p>(I) MERKUR Bank intends to further increase its AuC to increase revenues in retail/private banking to become less dependent from the real estate business</p> <p>(II) Further improve its capitalization to be able to make use of the business opportunities in the housing market in Munich</p>	<p>Guidance 2019:</p> <p>no concrete earnings guidance published</p> <table border="1"> <thead> <tr> <th>EPS y/y</th> <th>Pareto Estimates</th> <th>Consensus</th> </tr> </thead> <tbody> <tr> <td></td> <td>0.67</td> <td>na</td> </tr> <tr> <td></td> <td>9.9%</td> <td>na</td> </tr> </tbody> </table>	EPS y/y	Pareto Estimates	Consensus		0.67	na		9.9%	na
EPS y/y	Pareto Estimates	Consensus									
	0.67	na									
	9.9%	na									
2018	<p>Revenues (EURm) 36.6</p> <p>y/y 2.4%</p>	<p>CIR 62.9%</p>	<p>Net Profit (EURm) 3.7</p> <p>ROE 7.5%</p>	<p>EPS 5Y hist. CAGR 1.1%</p>							
New bus. & Portfolio Split	  										
Shareholder structure & management	<p>CEO <u>Dr. Marcus Lingel</u></p> <p><i>CEO & personal liability partner</i></p> <ul style="list-style-type: none"> • Dr. Lingel joined MERKUR Bank's management board in 2005 • He joined MERKUR Bank in 2000 after having finished his studies and having worked for a large private bank in the corporate banking unit 	<p>Board member <u>Claus Herrmann</u></p> <ul style="list-style-type: none"> • Mr. Herrmann joined MERKUR Bank in 1999 and became a board member in 2002 • Mr. Herrmann has gained bank experience in different savings banks and other mid-sized banks 	<p>Shareholder structure</p> 								
# of employees FY 2018	191										

Source: Pareto Securities Research

PROFIT & LOSS (fiscal year) (EURm)	2015	2016	2017	2018	2019e	2020e
Net interest income	22	23	23	29	38	38
Net fee and commission income	10	10	12	7	2	2
Operating income	33	35	36	37	40	40
Staff costs	(13)	(13)	(13)	(14)	(14)	(14)
Other expenses	(9)	(9)	(10)	(10)	(11)	(11)
Depr.	(1)	(1)	(1)	(1)	(1)	(1)
Operating expenses	(23)	(23)	(24)	(24)	(26)	(26)
Operating profit before losses	10	11	12	12	14	14
Net loan losses	(2)	2	(0)	(0)	(1)	(1)
Pre-tax profit	8	13	12	12	13	13
Tax expense	(3)	(4)	(4)	(5)	(5)	(5)
Net profit	4	9	7	7	8	8
Minority interests	(2)	(6)	(4)	(3)	(4)	(4)
Net profit attributable	3	3	3	4	4	4
BALANCE SHEET (EURm)	2015	2016	2017	2018	2019e	2020e
Current assets	72	121	141	98	113	117
Gross loans	813	847	888	1,152	1,175	1,198
Other assets and accruals	87	65	64	103	87	87
Total assets	973	1,033	1,094	1,353	1,374	1,402
Deposits from credit institutions	84	74	62	68	63	58
Deposits from the public	800	846	905	1,152	1,175	1,199
Certificates and bond loans	-	-	-	-	-	-
Other liabilities accruals and allocat.	19	26	32	37	30	33
Subordinated loan capital	31	41	46	46	54	59
Equity	39	46	48	50	52	54
Total debt and equity	973	1,033	1,094	1,353	1,374	1,402
Average total assets		1,003	1,063	1,223	1,363	1,388
PER SHARE DATA & VALUATION (EUR)	2015	2016	2017	2018	2019e	2020e
Avg. no. of shares	5	5	6	6	6	6
End. no. of shares	5	6	6	6	6	6
Price	5.9	6.7	7.9	8.2	9.4	9.4
Market cap.	31	38	45	46	53	53
EPS reported	0.51	0.61	0.60	0.64	0.67	0.69
EPS adj.	0.51	0.61	0.60	0.64	0.67	0.69
BVPS	7.5	8.0	8.4	8.8	9.1	9.5
DPS	0.22	0.26	0.30	0.32	0.34	0.35
P/E	11.6	10.9	13.0	12.7	14.0	13.6
P/E adj.	11.6	10.9	13.0	12.7	14.0	13.6
P/B	0.8	0.8	0.9	0.9	1.0	1.0
Dividend Yield	3.7%	3.9%	3.8%	3.9%	3.6%	3.7%
KEY RATIOS	2015	2016	2017	2018	2019e	2020e
Net interest margin	2.39%	2.30%	2.16%	2.39%	2.75%	2.73%
Net interest margin (int.-bearing assets)	2.63%	2.62%	2.53%	2.71%	3.04%	3.04%
Cost/Income	67%	64%	63%	63%	62%	61%
Loan losses (bps annualised)	0	(0)	0	0	0	0
ROE		7.5%	7.4%	7.5%	7.5%	7.4%
ROA	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
RORWA	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%

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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	12,899,091	18.47%	Sparebanken Vest	4,508,279	7.64%

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 1Østfold Akersl	1,140,010	9.20%
Pareto Bank ASA	12,899,091	18.47%	Sparebanken Møre	311,739	3.15%
Selvaag Bolig ASA	2,174,147	2.32%	Sparebanken Sør	458,989	2.93%
SpareBank 1BV	1,639,640	2.61%	Sparebanken Vest	4,508,279	7.64%
SpareBank 1Nord-Norge	1,917,976	19.1%	Totens Sparebank	79,246	12.9%
SpareBank 1SMN	1,878,192	14.5%			

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

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

Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
AF Gruppen	0	1,675	Golden Ocean Group	0	1,919	SailMar	0	130
Aker	0	702	Grieg Seafood	0	784	Sandnes Sparebank	0	23,832
Aker BP	0	8,480	Helgeland Sparebank	0	4,127	Scatec Solar	0	35,735
AKVA Group	0	2,100	Høegh LNG	0	6,509	Schibsted ASA B Aksjer	0	453
American Shipping Compar	0	3,105	Jæren Sparebank	0	500	Seadrill	0	14,772
Archer	0	60,770	Komplett Bank	0	117,387	Selvaag Bolig	0	5,000
Atea	0	450	Kongsberg Gruppen	0	5,901	SpareBank 1BV	0	17,700
Atlantic Sapphire	0	5,305	KWS	75	75	SpareBank 1Nord-Norge	0	26,500
Austevoll Seafood	0	5,815	Lerøy Seafood	0	36,210	SpareBank 1Ringerike Hadr	0	500
Avance Gas	0	5,051	Magseis Fairfield	0	12,659	SpareBank 1SMN	0	15,490
Axactor	0	8,963	Mowi	0	1,979	SpareBank 1SR-Bank	0	29,482
BASF	270	270	NORBIT	0	19,416	Sparebank 1Østfold Akersl	0	450
Bonheur	0	46,535	Nordic Semiconductor	0	6,000	SpareBank 1Østlandet	0	4,041
Borr Drilling	0	1,323	Norsk Hydro	0	129,797	Sparebanken Møre	0	6,550
BRABank	0	137,1000	Northern Drilling	0	6,060	Sparebanken Sør	0	41,680
BWLPG	0	2,069	Norwegian Air Shuttle	0	67,223	Sparebanken Vest	0	2,219
DNB	0	35,206	Norwegian Energy Compan	0	300	Sparebanken Øst	0	1,500
DNO	0	39,678	Ocean Yield	0	34,967	Stolt-Nielsen	0	900
Entra	0	14,362	Odfjell Drilling	0	3,944	Storebrand	0	5,565
Equinor	0	8,788	Okeanis Eco Tankers	0	1,738	Subsea 7	0	5,990
Europris	0	10,850	Orkla	0	20,164	Telenor	0	19,111
Fjord1	0	51,550	Panoro Energy	0	5,670	TGS-NOPEC	0	2,111
Fjordkraft Holding	0	5,000	Pareto Bank	0	1013,966	XXL	0	8,879
Flex LNG	0	1,138	Pioneer Property	0	2,050	Yara International	0	17,150
Frontline	0	13,003	Protector Forsikring	0	14,567	Zenterio	0	78,865
Gjensidige Forsikring	0	7,734	REC Silicon	0	35,776			

This overview is updated monthly (last updated 20.08.2019).

*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	Gfinity Plc	Odfjell
Advanzia Bank	GG. St. Kongensgade 100 og 106	OKEA
African Petroleum Corporation	Hafslund E-CO	Okea AS
Agder Energi	Hert ha BSC GmbH	OkeanisEco Tankers
American Tanker	HKN Energy Ltd	Otiga Group
Andfjord Salmon	Hunter Group	Panoro Energy
APC Forsikringsmæglere A/S	Hörmann Industries	Pareto Bank
Bank Norwegian	Ice Group	Petroleum Geo-Services
Belships	Jactel AS	PetroTal
Bluewater Holding	KlavenessShip Holding	Point ResourcesAS
CentralNic Group	LifeFit	Qesterre Energy Corporation
DNOASA	Lundin Petroleum	Rødovre Port Holding A/S
Dof Subsea AS	Magseis	Shamaran Petroleum
Eco Atlantic Oil and Gas	Monobank ASA	Sparebank 1Østlandet
Exmar NV	Navig8	Sparebanken Vest
FFS Bidco	NGEx Resources	Stolt Nilsen
Flex LNG	Norbit Group	Union Maritime Limited
Floatel	Northmill Group AB	Vantage Drilling
Genel Energy	Nouveau Monde Graphite	

This overview is updated monthly (this overview is for the period 31.07.2018 – 31.07.2019).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	65%
Hold	32%
Sell	4%

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 investment banking services in the previous 12 months

This overview is updated monthly (last updated 20.08.2019).

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	Jetpak Top Holding AB	Sedana Medical
Bionvent	IRRAS AB	Mentice AB	ShaM aran Petroleum
Climeon			

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 universes:

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

Members of the Pareto Group have entered into agreements concerning the inclusion of the company in question in Pareto Securities AB's research coverage universe with the following companies: None
This overview is updated monthly (last updated 20.08.2019).

Appendix E

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

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.

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Aixtron *	Gesco *	Merkur Bank	Siemens Healthineers AG
Baywa	GFT Technologies *	MLP *	SMT Scharf AG *
Biotest *	Gigaset *	MOBOTIX AG	Surteco Group *
Brenntag	Heidelberg Pharma *	OVH Holding AG	Syzygy AG *
CORESTATE Capital Holding S.A.	Hypoport AG	Procredit Holding *	TAKKT AG
Daldrup & Söhne	init	PSI SOFTWARE AG *	Vapiano
Demire	Intershop Communications AG	PWO *	va-Q-tec *
Epigenomics AG*	Leifheit	RIB Software *	Viscom *
Euromicron AG *	Logwin *	S&T AG *	windeln.de
Eyemaxx Real Estate	Manz AG *	Schaltbau Holding AG	

* 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	Eyemaxx Real Estate	Intershop Communications AG	OHB SE
Baywa	First Sensor	Leifheit	OVH Holding AG
BB Biotech	Godewind Immobilien AG	MAX Automation SE	Schaltbau Holding AG
comdirect	Hypoport AG	Merkur Bank	Siegfried Holding AG
Daldrup & Söhne	init	MOBOTIX AG	Vapiano

This overview is updated monthly (last updated 20.08.2019).