



Q2 slightly below our forecast, guidance confirmed

Demire has reported slightly weaker than expected Q2 results. While both EBIT and net profit were in line with our expectations, FFO I was slightly below our forecast due to lower adjustments. Having reached a FFO I (after taxes, before minorities) of EUR 19.4m (+15% yoy) we see Demire however well on track to reach its confirmed full-year FFO I target of EUR 34.5m to EUR 36.5m (PAsE: EUR 36m). Negatively, the vacancy rate deteriorated during Q2 to 10% but the company expects it to decline it again in H2. While the LtV increased because of the dividend payout, NAV per share declined. All in all, Q2 results were slightly weaker than expected on FFO I level and important KPIs slightly deteriorated which should however be only temporary. As we see the shares fairly valued at the moment, we stick to our Hold rating with a target price of EUR 4.40.

Q2 in more detail

Rental income declined by 4% yoy to EUR 20.9m (PAsE: EUR 21.0m) due to the sale of some non-strategic assets. EBIT increased by 44% yoy to EUR 13.0m due to lower write-downs on receivables and a higher income from real estate disposals. Positively, Demire reported only a negative result from write-downs of receivables of EUR 0.3m in Q2 (Q2 '20: EUR 3.1m). Net profit, which was up by 152% yoy to EUR 5.3m, benefited also from a lower tax rate. FFO I (before minorities) increased by 19% yoy to EUR 8.6m (PAsE: EUR 9.0m).

Financials

We have fine-tuned our earnings estimates. As of today, we see the company well on track to reach our earnings forecast, possibly even surpass it, if the negative impact from Corona remains limited in H2.

EURm	2019	2020	2021e	2022e	2023
Sales	101	109	99	106	111
NOI	66	70	64	68	72
NOI margin (%)	65	65	65	65	65
EPRA NAV ps (EUR)	6.3	5.9	5.2	5.4	5.6
DPS (EUR)	0.5	0.6	0.1	0.2	0.2
P/EPRA NAV (x)	0.85	0.77	0.81	0.78	0.75
EBITDA/EV (%)	5.3	4.2	4.0	4.5	4.7
Div yield (%)	10.1	13.7	3.5	4.2	4.5

Source: Pareto

Target price (EUR)	4.4
Share price (EUR)	4.2

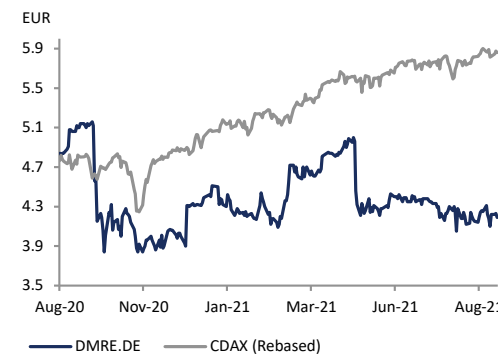
Forecast changes

%	2021e	2022e	2023
Sales	(2)	(3)	NM
NOI	(2)	(3)	NM
CEPS	NM	NM	NM
EPRA NAV ps	0	(0)	NM
DPS	0	(5)	NM

Source: Pareto

Ticker	DMRE.DE, DMRE GR
Sector	Real Estate
Property sector	Industrial
Shares fully diluted (m)	105.8
Market cap (EURm)	443
Net debt (EURm)	-1
Minority interests (EURm)	41
Enterprise value 21e (EURm)	1,320

Performance



Source: Factset

Analysts

Dr Philipp Häßler CFA
+49 69 58997 414, philipp.haessler@paretosec.com

Exhibit 1: Q2 2021

EUR m	Q2 2021	Q2 2020	% yoy	Pareto	Delta	Cons.	Delta
Rental income	20.9	21.8	-4%	21.0	-1%	n.a.	n.a.
EBIT	13.0	9.0	44%	13.0	0%	n.a.	n.a.
Net profit	5.3	2.1	152%	5.2	2%	n.a.	n.a.
FFO I after taxes	8.6	7.2	19%	9.0	-4%	n.a.	n.a.

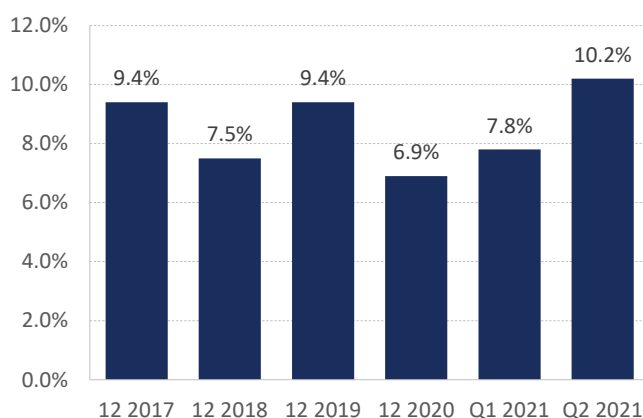
Source: Pareto, Demire

Development of KPIs

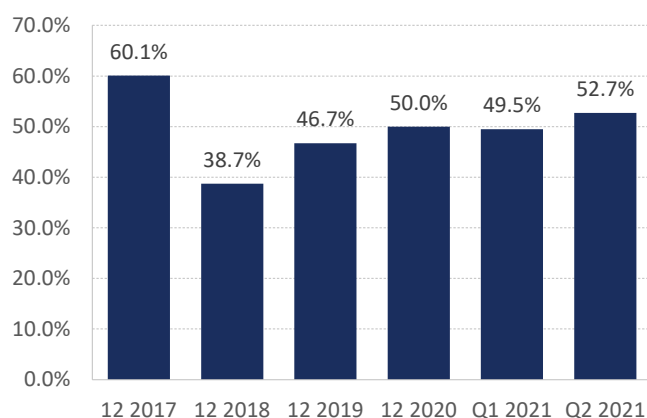
The vacancy rate increased by 240 bps qoq to 10.2%, a strong increase which can however be explained by the repositioning of an asset in Regensburg. As new rental contracts have already been signed, Demire expects the vacancy rate to decline over the course of the year. Positively, the WALT has increased by 0.1 years qoq to 4.9 years qoq.

The annualized rent has declined by 2.9% vs. 12/2020 due to the disposal of five non-strategic assets. However, Demire managed to achieve an average increase of 1% in annualized rents for its Top 10 premises. Positively, the letting result was very strong with 122k sqm in H1 2021, up by 74% yoy. The new letting have a WALT of almost 8 years.

The LtV increased by 320 bps qoq to 52.7%, mainly due to the dividend payout. NAV per share (diluted) decreased by 9% qoq to EUR 5.43, the volume of the investment properties remained more or less stable qoq at EUR 1.408bn.

Exhibit 2: Development of vacancy rate

Source: Pareto Securities Research, Demire

Exhibit 3: Development of LtV

Source: Pareto Securities Research, Demire

Corona impact on rental collections remains moderate

During the first seven months Demire has suspended EUR 2.4m of rents which is equivalent to 5.0% of the target rent until July, or 3.0% of the expected 2021 rental income. In total, rent suspensions in connection with Corona amount to EUR 5.6m, equivalent to 4.5% of the target rent. As would be expected, the majority of the rent suspensions comes from the asset classes retail (56%) and hotel (41%).

In H1 2021 only EUR 0.5m of the suspended rents were classified as irrecoverable receivables (and thus impact the P&L); Demire expects to collect the remaining outstanding rent suspensions.

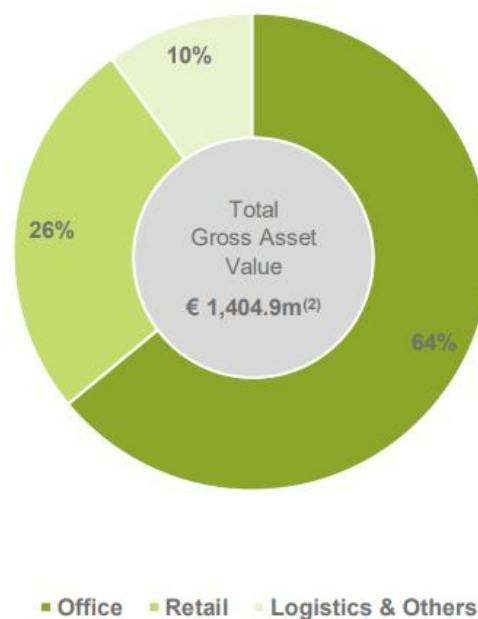
All in all, we think that the Corona impact has been so far moderate for Demire and clearly manageable. Assuming no additional lockdowns we do not expect any further significant P&L impact from Corona on Demire.

Exhibit 4: Corona impact on Demire's portfolio



Source: Demire

Exhibit 5: Portfolio split by asset category



Source: Pareto Securities Research, Multitude

Valuation and Recommendation

We stick to our Hold recommendation with a target price of EUR 4.40 as we see the shares fairly valued. Growth potential for Demire is rather limited after the recent high dividend payouts. With a LTV of around 50% we do not expect the company to make any large portfolio transactions.

PROFIT & LOSS (fiscal year) (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023
Rental income	76	74	74	82	88	81	86	90
Sales	92	88	89	101	109	99	106	111
Operating costs	(34)	(33)	(30)	(36)	(39)	(35)	(38)	(39)
Net operating income	59	56	59	66	70	64	68	72
Management and administrative costs	(10)	(14)	(19)	4	(14)	(10)	(7)	(7)
Other operating income / (expense)	(2)	(5)	(4)	3	0	(1)	(1)	(1)
EBITDA	47	36	36	73	56	53	60	63
Associated companies and JVs	(5)	(8)	(12)	(8)	(3)	(8)	(8)	(8)
Depreciation fixed assets	(2)	-	(2)	(1)	(6)	(3)	(1)	(1)
EBITA	40	28	22	64	46	42	51	55
EBIT	40	28	22	64	46	42	51	55
Net interest	(38)	(49)	(26)	(50)	(18)	(19)	(19)	(20)
Chg. in value properties unrealised	38	49	93	83	(22)	-	5	5
Profit before taxes	40	28	89	98	6	23	37	40
Current tax	(12)	(0)	(1)	(5)	(1)	(3)	(3)	(3)
Deferred tax	-	(8)	(19)	(13)	3	-	-	-
Taxes	(12)	(8)	(20)	(18)	3	(3)	(3)	(3)
Profit after tax for the period	28	19	69	80	9	21	34	37
Minorities	3	6	7	4	1	1	1	1
BALANCE SHEET (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023
Fair value properties	981	1,022	1,140	1,494	1,426	1,442	1,477	1,512
Associated companies and JVs	0	0	-	-	-	1	1	1
Goodwill	-	-	-	-	-	-	-	-
Other fixed assets	-	-	4	19	18	18	18	18
Total fixed assets	1,001	1,033	1,151	1,521	1,451	1,479	1,514	1,549
Other current assets	-	-	-	-	-	-	-	-
Cash and cash equivalents	31	74	190	102	102	13	18	24
Total current assets	93	114	228	157	174	94	105	115
Total assets	1,094	1,147	1,379	1,677	1,625	1,572	1,618	1,664
Total equity	309	319	582	661	598	554	574	593
Deferred tax liability	35	43	62	76	72	72	72	72
Non-current interest bearing liabilities	621	666	606	738	817	833	849	865
Other non-current liabilities	64	72	74	98	98	80	80	80
Total non-current liabilities	719	781	743	912	987	985	1,001	1,017
Current interest bearing liabilities	-	29	30	69	12	12	22	32
Other current liabilities	49	4	4	26	17	10	10	10
Total current liabilities	66	47	54	105	40	33	43	53
Total liabilities	785	828	796	1,017	1,027	1,018	1,044	1,070
Total liabilities and total equity	1,094	1,147	1,379	1,677	1,625	1,572	1,618	1,664
CASH FLOW (EURm)	2016	2017	2018	2019	2020	2021e	2022e	2023
Funds from operations	3	5	23	35	39	36	43	46
Cash flow before change in working capital	37	23	32	49	(20)	24	49	52
Change in working capital	(1)	13	7	(3)	(4)	(28)	(5)	(5)
Cash flow post change in working capital	35	36	39	46	(24)	(4)	44	47
Property acquisitions	-	28	(25)	(283)	(65)	(30)	(35)	(35)
Other capex items	-	(1)	-	(2)	-	-	-	-
Dividend paid	(1)	-	(2)	-	-	(66)	(15)	(19)
Share capital issuance / (buybacks)	17	-	174	-	(9)	1	1	1
Debt issuance / (repayment)	(21)	(14)	(47)	119	14	16	26	26
Other financing inflow / (outflow)	(33)	-	(23)	-	(17)	(20)	(20)	(21)
Cash flow from financing activities	(38)	(14)	102	119	(11)	(69)	(9)	(12)

SHARE DATA (million)	2016	2017	2018	2019	2020	2021e	2022e	2023
Average number of shares	65.9	67.9	70.6	107.8	107.3	106.3	106.3	106.3
No. of shares end of period	67.9	67.9	108.4	108.3	106.3	106.3	106.3	106.3
Avg. number of shares not fully diluted	54.2	54.3	107.6	107.8	105.8	105.8	105.8	105.8
No. of shares end of period not fully diluted	54.2	54.3	107.6	107.8	105.8	105.8	105.8	105.8
Share price year-end (EUR)	3.6	3.9	4.3	5.4	4.5	4.2	4.2	4.2
PER SHARE DATA								
DPS (EUR)	-	-	-	0.54	0.62	0.15	0.18	0.19
Chg DPS (%)				+chg	15	(76)	20	7
EPRA NAV per share (EUR)	4.6	5.0	5.5	6.3	5.9	5.2	5.4	5.6
Chg EPRA NAV per share (%)	8.4	7.7	11.0	14.9	1.7	(1.1)	6.2	6.6
EPS (EUR)	-	0.3	0.9	0.7	0.1	0.2	0.3	0.3
EPS adj (EUR)	-	0.2	0.9	0.6	0.1	0.2	0.3	0.3
Funds from operations per share (EUR)	0.0	0.1	0.3	0.3	0.3	0.3	0.4	0.4
CAPITALISATION & VALUATION (EURm)								
Market cap	242	262	467	580	479	445	445	445
Net interest bearing debt	(31)	(45)	(160)	(33)	(89)	(1)	4	9
Minority interest	37	34	44	47	40	41	42	42
Enterprise value	942	962	1,118	1,366	1,337	1,320	1,336	1,353
Dividend yield (%)	-	-	-	10.1	13.7	3.5	4.2	4.5
Premium/discount to book value (%)	(10.9)	(8.2)	(13.2)	(5.4)	(14.1)	(13.2)	(16.3)	(19.2)
Premium/discount to EPRA NAV (%)	(22.5)	(22.1)	(21.5)	(15.2)	(23.4)	(19.5)	(22.2)	(24.6)
Premium/discount to GAV (%)	(7.2)	(7.3)	(11.2)	(7.0)	(10.3)	(7.5)	(8.6)	(9.6)
EBITDA/EV (%)	5.0	3.8	3.2	5.3	4.2	4.0	4.5	4.7
PROFITABILITY & DEBT								
ROCE (%)	18.2	13.1	10.3	13.9	9.8	10.0	10.6	10.8
Net operating income margin (%)	63.6	63.0	65.9	64.6	64.5	64.5	64.5	64.5
EBITDA margin (%)	50.8	40.9	40.4	71.8	51.4	53.6	56.7	57.1
Market capitalisation/enterprise value (%)	25.7	27.3	41.8	42.5	35.9	33.7	33.3	32.9
LTV (%)	62.8	57.2	38.7	46.7	50.0	55.7	55.1	54.6
Interest bearing debt/EBITDA (x)	(0.7)	(1.2)	(4.5)	(0.5)	(1.6)	(0.0)	0.1	0.1
EBITDA/net interest expense (x)	1.2	0.7	1.4	1.5	3.1	2.8	3.1	3.2
SUPPLEMENTAL DATA (EURm)								
Number of properties	174	86	84	90	75	75	75	75
Lettable space sqm	1,069	969	969	1,119	989	994	1,024	1,054
Economic occupancy (%)	88.4	90.6	92.5	90.6	93.1	93.0	93.2	93.2
Fair value investment properties (IFRS)	981	1,022	1,130	1,494	1,426	1,442	1,477	1,512
Fair value investment properties per sqm (EUR)	941	1,067	1,067	1,330	1,457	1,466	1,457	1,449
Cost of debt (%)	4.4	4.1	3.6	3.5	2.5	2.4	2.4	2.4
PROFIT & LOSS (quarter) (EURm)								
	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18e	3Q'18e	4Q'18e
BALANCE SHEET (EURm)								
	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18e	3Q'18e	4Q'18e
Other current assets	-	-	-	-	-	-	-	-
CASH FLOW (EURm)								
	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18e	3Q'18e	4Q'18e

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

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Bonheur	240,945	0.57%	Sparebank 1 SR-Bank	1,850,014	0.72%
Pareto Bank	15,236,002	21.94%	SpareBank 1 Østfold Akershus	1,215,116	9.81%
Selvaag Bolig	3,126,925	3.33%	SpareBank 1 Østlandet	3,832,163	3.61%
SpareBank 1 BV	1,771,308	2.81%	Sparebanken Møre	305,239	3.09%
Sparebank 1 Nord-Norge	4,279,097	4.26%	Sparebanken Sør	433,744	2.77%
SpareBank 1 Ringerike Hadelande	100,000	0.64%	Sparebanken Vest	6,861,616	6.39%
Sparebank 1 SMN	1,920,442	1.48%			

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

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

Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings	Company	Analyst holdings*	Total holdings
AF Gruppen	0	1,825	Fjordkraft Holding	0	14,379	Okeanis Eco Tankers	0	2,000
Aker ASA	500	2,405	Flex LNG	0	3,617	Orkla	0	20,983
Aker BP	0	23,651	FREYR Battery	0	1,790	Panoro Energy	0	32,844
Aker Carbon Capture	0	20,621	Frontline	0	78,708	Pareto Bank	0	1,265,656
Aker Horizons	0	50,848	Gjensidige Forsikring	0	7,728	Pexip Holding	0	63,283
Aker Offshore Wind	0	165,278	Golden Ocean Group	0	1,433	Protector Forsikring	0	14,000
Aker Solutions	0	3,728	Grieg Seafood	0	8,127	Quantafuel	0	10,797
American Shipping Co.	0	13,300	Hafnia Ltd.	0	10,000	REC Silicon	0	36,816
Aprila Bank ASA	0	22,675	Huddly	0	981,523	SalMar	0	2,709
Archer	0	30,170	Hunter Group ASA	0	308,500	Salmon Evolution	0	100,000
ArcticZymes Technologies	0	684	HydrogenPro	0	37,552	Sandnes Sparebank	0	4,013
Atlantic Sapphire	0	13,712	Ice Fish Farm	0	2,000	Scatec	0	20,387
Austevoll Seafood	0	4,235	ice Group ASA	0	200,000	Selvaag Bolig	0	2,050
Avance Gas	0	3,362	Icelandic Salmon AS	0	535	Sparebank 1 Nord-Norge	0	3,350
B2Holding AS	0	20,075	Kalera	0	54,027	Sparebank 1 SMN	0	12,740
BASF	270	270	Kitron	0	18,386	Sparebank 1 SR-Bank	0	8,590
Belships	0	14,095	Komplett Bank	0	110,500	SpareBank 1 Østfold Akershus	0	1,252
Bonheur	0	32,075	Kongsberg Gruppen	0	36,023	SpareBank 1 Østlandet	0	8,621
Borregaard ASA	0	650	KWS	75	75	Sparebanken Sør	0	16,435
Bouwet	0	2,940	Lerøy Seafood Group	0	40,478	Sparebanken Vest	0	16,735
BRABank	0	31,499	Mercell	0	22,998	Sparebanken Øst	0	1,500
BW Energy	0	55,050	Mowi	0	3,761	Stolt-Nielsen	0	1,817
BW Offshore	0	16,076	MPC Container Ships	0	41,311	Storebrand	0	25,698
Cloudberry Clean Energy	0	52,031	Nordic Semiconductor	0	4,484	Subsea 7	0	11,726
DNB	0	44,519	Noreco	0	790	Telenor	0	9,752
DNO	0	151,978	Norsk Hydro	0	91,519	Vow	0	8,681
Elkem	0	35,426	Norske Skog	0	98,225	Wallenius Wilhelmsen	0	60,570
Entra	0	9,977	NTS	0	2,272	XXL	0	16,923
Equinor	0	2,900	Ocean Yield	0	90,410	Yara	0	14,133
Europris	0	11,208	OHT	0	6,650	Zaptec	0	4,000

This overview is updated monthly (last updated 24.08.2021).

*Analyst holdings refers 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

24SevenOffice Scandinavia	DigiPlex	Kistos plc.	Panoro Energy	Watercircles Forsikring
2G Energy	DLT	Klaveness Combination Carriers ASA	Pelagia Holding AS	West Coast Salmon
Avanzia Bank S.A.	Documaster AS	KLP	PetroNor E&P	Wheel.me
Africa Energy Corp Corp	EcoOnline	Komplett ASA	PetroTal	Xeneta AS
Aker ASA	ELOP	Komplett Bank	PHM Group	ZTL Payment Solution AS
Aker Clean Hydrogen	Endur ASA	Kraft Bank	Ping Petroleum UK Limited	Øm Software
Aker Horizons	Energyan Israel Finance Ltd.	Lakers Holding AS	Pronofa AS	
Akershus Energi	Enviv AS (Bookis)	Lumarine AS	Proximar Seafood	
Akva Group	Fertiberia S.A.R.L.	Maha Energy	Pryme	
FREYR Battery	Flexistore AS	Malorama Holding AS	Quantafuel	
Arcane Crypto	Funkwerk AG	Mathesa Bostadsbolaget AB	REC Silicon	
Arctic Fish	Genel Energy	Meltwater	Saga Robotics	
Arendals Fossekompani	Gjensidige Forsikring	Mercell	Salmon Evolution	
Attensi	Golden Ocean Group	Mintra Group	Scorpio Bulkers	
Belships	Goliath Offshore	Modex AS	Seafire AB	
BioInvent	Halodi Robotics AS	MPC Container Ships	SFL Corporation Ltd	
Biomega Group AS	Heimdall Power	Mutares SE & Co. KGaA	SGL TransGroup International A/S	
Bonheur	HKN Energy Ltd	Müller Medien GmbH (United Vertical Med	Shamaran Petroleum	
Brooge Energy Limited	Hofseth BioCare	Navigator Holdings Ltd.	Siccar Point Energy	
Bulk Infrastructure Holding	House of Control	Navios	Skitude	
BW Energy	Huddly	Next Biometrics Group	Smart Wires Inc.	
BWLPG	HydrogenPro	Nordic Halibut	Strandline Resources Limited	
Cavai AS	Ice Group Scandinavia Holdings AS	Noreco	Talos Energy Inc	
CentralNic Group PLC	Idavang A/S	Norlandia Health & Care Group AS	Tise AS	
Circa Group	Instabank ASA	Norse Atlantic	Trønderenergi AS	
Cloudberry Clean Energy	Kalera	Norske Skog	Vegfinans AS	
CrayoNano AS	Kentech Global Plc	Norwegian Block Exchange	Viking ACQ 1AS, SPAC	
Dampskibsselskabet NORDEN A/S	Keppel FELS Limited	OHT	Vow	

This overview is updated monthly (this overview is for the period 31.07.2020 – 31.07.2021).

Appendix C

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

Distribution of recommendations

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

Distribution of recommendations (transactions*)

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

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

This overview is updated monthly (last updated 20.08.2021).

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

24SevenOffice Scandinavia AB	Climeon AB	Isofol Medical AB	Surgical Science
Azelio	Egetis Therapeutics	Linkfire A/S	Swedencare AB
Bionvent	Implantica	LMK Group	Vicore Pharma
Biovica International	Green Landscaping Group AB	Media & Games Invest plc.	VNV Global
Cibus Nordic Real Estate AB	Hexicon	Re:NewCell	

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:

Africa Energy Corp.	Logistri Fastighets AB	Minesto	Shamaran Petroleum
ByggPartner i Dalarna Holding	Magnolia Bostad	Saltängen Property Invest	Surgical Science
Cibus Nordic Real Estate	Media & Games Invest plc.	SciBase Holding	Tethys Oil
Isofol Medical	Mentice AB	Sedana Medical	Vostok Emerging Finance

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:

Bosjö Fastigheter AB	Bråviken Logistik	Halmslätten	Mälårasen
Bonäsudden	Delarka	Logistri	Sydsvenska Hem

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 16.08.2021).

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 *	GFT Technologies *	Merkur Bank	SMT Scharf AG *
Biotest *	Gigaset *	MLP *	Surteco Group *
CORESTATE Capital Holding S.A.	Heidelberg Pharma *	mutares	Syzygy AG *
Daldrup & Söhne	Intershop Communications AG	OVH Holding AG	TAKKT AG
Demire	Leifheit	Procredit Holding *	Viscom *
Epigenomics AG*	Logwin *	PSI SOFTWARE AG *	
Gesco *	Manz AG *	PWO *	
Gerry Weber	MAX Automation SE	S&T AG *	

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

Appendix F

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

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	Dermapharm Holding SE	Intershop Communications AG	mutares
Baywa	Enapter	Leifheit	OHV SE
BB Biotech	Expres2ion Biotechnologies	MAX Automation SE	OVH Holding AG
CLIQ Digital	Gerry Weber	Merkur Bank	Siegfried Holding AG
Daldrup & Söhne	Hypoport AG	Mynaric	

This overview is updated monthly (last updated 16.08.2021).