

Share price decline overdone: Buy, TP EUR 500

Hypoport shares have underperformed the market with a decline of around 50% year-to-date. We see the share price decline overdone as we do not expect the real estate mortgage market to crash and as the current valuation of the shares is very attractive, in our view – with a 12M FWD PER of 35x shares are trading well below their historic 12M FWD PER of well above 50x. We confirm our Buy rating with a new target price of EUR 500 (EUR 550). The company had an excellent start into the year with an increase of the EBIT by 40% yoy and is thus well on track to reach its full-year target. We expect 2022 to become a strong year for Hypoport as the demand for mortgage loans should remain high. In the mid-term we expect the company to be able to further grow its market share and thus offset possibly lower market growth.

Excellent Q1 results

Hypoport had an excellent start into the year with a Q1 EBIT of EUR 16.9m (+40% yoy), above our forecast of EUR 15.6m. Revenues were up by 26% yoy to EUR 136m (PAsE: EUR 132m). Main earnings drivers have been the credit and the retail clients platform which benefited both from strong market growth. New mortgage loans increased by 13% yoy in Q1, according to figures by Deutsche Bundesbank. The real estate platform had also a good quarter with an EBIT increase by EUR 0.5m yoy – Hypoport's oldest business unit, Dr. Klein Institutional Clients, delivered a good performance, also benefiting from the interest rate increase in Q1.

Financials

We have only fine-tuned our earnings. Having reached an EBIT of EUR 17m in Q1, Hypoport is well on track to achieve our full-year forecast of EUR 56m (Hypoport targets stands at an EBIT range of between EUR 51m and EUR 58m). We expect Hypoport to benefit from a strong market growth in the next months. In case of a strong Q2, which is quite likely in our view, we see even a good probability for Hypoport to surpass its EBIT target.

EURm	2020	2021	2022e	2023e	2024e
Revenues	388	446	522	606	694
EBITDA	64	77	88	106	129
EBIT	36	48	56	72	92
EPS	4.44	4.86	6.76	8.27	10.80
EPS adj	4.44	4.86	6.76	8.27	10.80
DPS	-	-	-	-	-
EV/EBITDA	53.2	43.7	19.0	15.3	12.3
EV/EBIT	93.8	70.7	29.7	22.6	17.2
P/E adj	-	-	36.4	29.8	22.8
P/B	14.71	12.79	5.27	4.48	3.74
ROE (%)	14.0	12.9	15.6	16.3	17.9
Div yield (%)	-	-	-	-	-
Net debt	156	148	117	72	34

Source: Pareto Securities

Target price (EUR)	500	▲	BUY
Share price (EUR)	246	–	HOLD
		▼	SELL

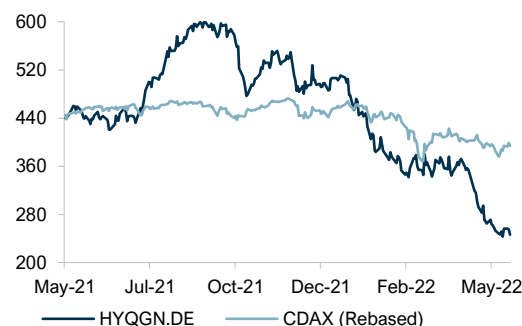
Forecast changes

%	2022e	2023e	2024e
Revenues	1	1	1
EBITDA	(0)	0	1
EBIT adj	(0)	1	1
EPS reported	3	0	1
EPS adj	3	0	1

Source: Pareto Securities

Ticker	HYQGN.DE, HYQ GR
Sector	Diversified Financials
Shares fully diluted (m)	6.3
Market cap (EURm)	1,550
Net debt (EURm)	117
Minority interests (EURm)	2
Enterprise value 22e (EURm)	1,670

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

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

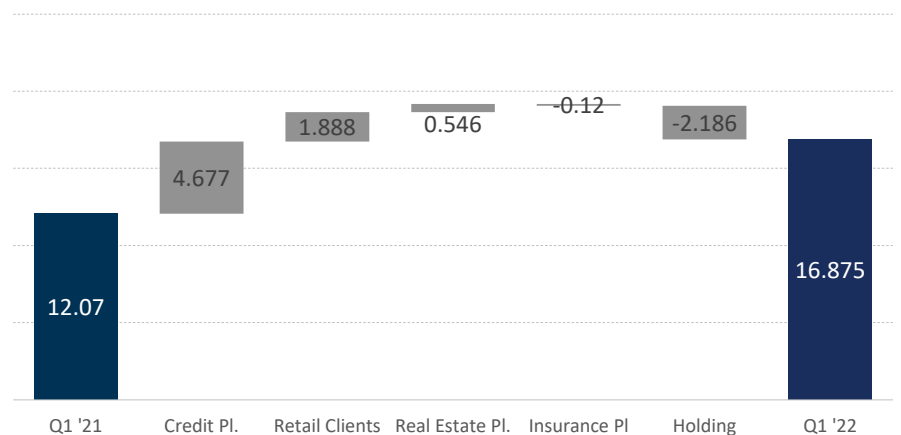
Q1 2022

EUR m	Q1 2022	Q1 2022e	Q1 2021	yoy	Cons.	delta
Revenues	136.4	131.6	107.9	26%	na	na
EBIT	16.9	15.6	12.1	40%	na	na
EBIT Margin	12.4%	11.8%	11.2%	119 BP	na	na
Net Profit	12.5	11.8	9.5	31.7%	na	na

Source: Hypoport, Pareto Securities

Looking at the different segments' performance during Q1, it is obvious that the Credit Platform with an EBIT increase of EUR 4.7m was the main reason for the strong Q1 performance. Dr. Klein, which also benefited from the positive market development in Q1, managed to increase its EBIT by EUR 1.9m. Last but not least, the real estate platform also achieved an EBIT growth (delta of EUR 0.5m) while the insurance platform's EBIT remained more or less unchanged (EBIT of EUR -0.5m, down by EUR 0.1m yoy).

EBIT development in Q1 2022 (EUR m)



Source: Hypoport, Pareto Securities

Higher mortgage rates do not change the equity story

Currently, investors are clearly concerned about the recent sharp increase in mortgage rates, which increased by around 200 bps since the beginning of the year. Investors fear a crash of the real estate market triggered by higher financing rates which lead to a lower demand for real estate properties (as the increased financing rates increase the acquisition costs of real estate properties further) and thus a sharp fall in prices. This would c.p. most likely result in lower transaction volumes and thus lower financing volumes. Although such a development cannot be ruled out, in our view we see it as rather unlikely for the following reasons:

- Demand for housing should remain high: The higher mortgage rates will make real estate investments c.p. more expensive as the ultra-low funding costs will not be available anymore. This means that some private house buyers will not be able anymore to realize their original plans as they do not have any extra funds available anymore and/or cannot afford higher monthly mortgage payments. We do however not expect this to result in a sharp drop in the housing demand, as people will not give up their investment plans, but rather in a shift in the housing demand. People will look for smaller apartments/houses and/or in less attractive regions. They may also try to adjust their financing plans, go e.g. for a lower maturity. Thus, we see mainly lower demand for the high-end sector, where prices at least in the BIG7 have reached very high levels in recent months.
- Strong price increases should come to an end...: The strong price increase of the last ten years should come to an end as buyers are not able to pay ever higher prices anymore. We do however not expect prices to fall significantly but rather stabilize on the high level; for the top segment we would not be surprised about slight declines.
- ...which should stabilize transaction volumes: A stabilization of the current price levels or even a slight decline should c.p. lead to stabilizing transaction volumes as new buyers, who have sufficient funds (and can afford somewhat higher financing costs) and who have been waiting for lower prices, should come to the market.

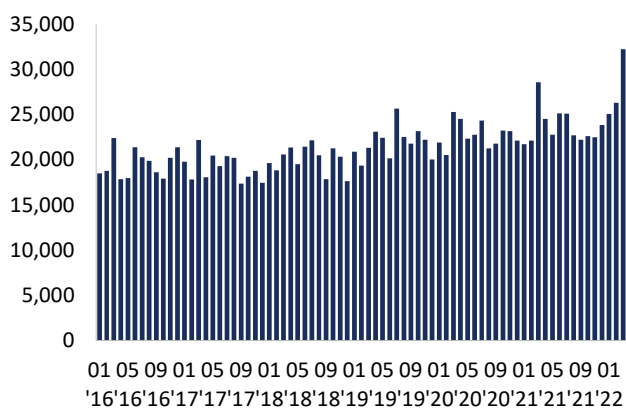
- High inflation rates as important supporting factor: An important factor, which should support real estate markets are the high inflation rates which should keep demand for real estate assets high or even increase it in some cases as people look for protection against high inflation rates. Furthermore, the high inflation rates should support prices for existing properties as replacement values are increasing.

Thus, we see in the mid-term real estate prices to stabilize or slightly decline while transaction volumes should remain high and may even further increase in case demand for real estate properties increases. The war in the Ukraine has led to higher migration which should also keep demand for real estate properties high, even if we expect most of the Ukrainian migrants to return to the Ukraine, once the war is over.

All these factors should stabilize mortgage loan volumes in Germany, even if the positive market development of recent years is likely to normalize. Importantly, Hypoport has continuously increased its market share in the German mortgage finance market in recent years. We expect this development to continue i.e. Hypoport should be able to further increase transaction volumes even if the overall market growth should somewhat normalize. Growth rates are however likely to come down in the mid-term, particularly if compared to an expected strong 2022.

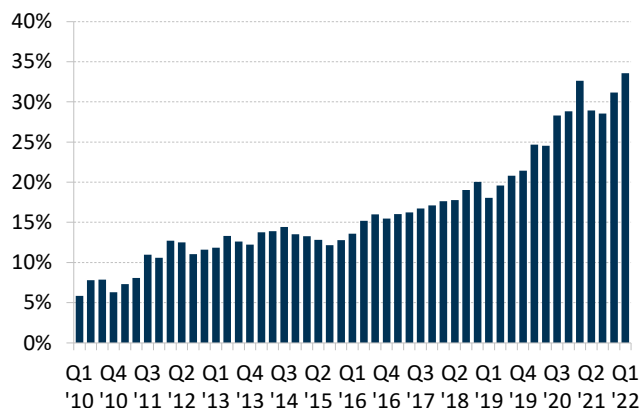
In the short term, i.e. during the next quarters, we expect financing volumes to significantly increase yoy as potential buyers should accelerate their investment / funding plans. Importantly, forward loans should gain further in popularity. This means that we expect Hypoport to benefit from strong tailwind in the next quarters.

Development of new mortgage loans in Germany (EUR m)



Source: Pareto Securities Research, Bundesbank

Development of Europe's market share in the German new mortgage loan market

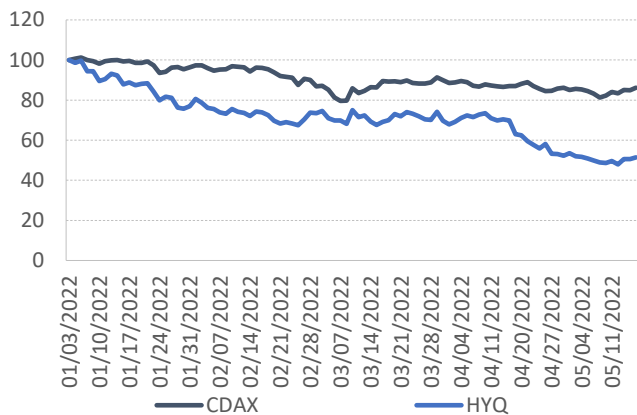


Source: Pareto Securities Research, Bundesbank, Hypoport

Valuation on attractive level

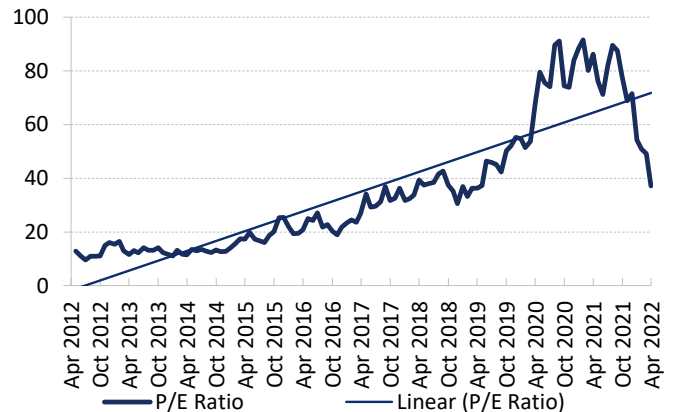
Growth / Tech shares have underperformed the market year-to-date. While the CDAX has declined by 13% ytd, the TecDax has declined by 23%, in other regions like in the US the underperformance of Tech shares has been much more prominent. Clearly, growth/tech shares are out of favour this year due to the increase in interest rates which led to higher WACCs with a negative impact on valuation levels.

Hypoport shares have underperformed the CDAX year-to-date



Source: Pareto Securities Research, Bundesbank, Hypoport

Development of Hypoport's historic 12M FWD PER



Source: Pareto Securities Research, FactSet

Hypoport shares have also delivered a weak performance year-to-date with a decline by around 50%. The company's 12M FWD PER has declined to 35x, which we see as a very attractive level, given the expected earnings growth of 29% (CAGR 2021-2024e, based upon consensus estimates). As can be seen from the graph above Hypoport shares are trading well below historic 12M FWD PERs. The average 5 YR 12M FWD PER stands at 54x, the 3YR 12M FWD PER at 66x.

Valuation and Recommendation

We stick to our Buy recommendation with a slightly lowered target price of EUR 500 (EUR 550). Note, that we have fine-tuned our earnings forecasts somewhat. Shares are attractively valued in our view with a 2023e PER of 30x given the strong earnings growth potential (EPS CAGR 2021-24e: +29%, based upon consensus forecasts). We expect Hypoport to further win market share in mortgage financing while the real estate and insurance platform have both still huge growth potential which will however not be realized in the short term. Last but not least we also expect REM Capital to continue its positive development.

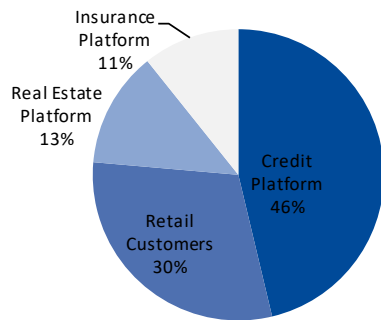
DCF Model

Expectations in EUR m	Phase I				Phase II						Phase III
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Revenues	522	606	694	791	897	1,013	1,136	1,267	1,407	1,554	
growth rate	17.0%	16.0%	14.5%	14.0%	13.5%	12.8%	12.2%	11.6%	11.0%	10.4%	
EBIT	56	72	92	112	130	155	184	214	246	280	
EBIT Margin	10.8%	11.9%	13.3%	14.1%	14.5%	15.3%	16.2%	16.9%	17.5%	18.0%	
Tax	-10	-14	-18	-22	-27	-32	-38	-45	-51	-58	
Tax rate	19%	21%	21%	21%	21%	21%	21%	21%	21%	21%	
Depreciation	32	34	37	39	54	63	72	79	87	95	
% of revenue	6.0%	5.6%	5.3%	4.9%	6.0%	6.2%	6.3%	6.2%	6.2%	6.1%	
Capex	-36	-39	-42	-45	-58	-65	-72	-79	-87	-95	
% of revenue	7.0%	6.4%	6.0%	5.6%	6.5%	6.4%	6.3%	6.2%	6.2%	6.1%	
Change in Working Capital	-5	-4	-7	-7	-8	-9	-10	-11	-12	-13	
% of revenue	1.0%	0.7%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	
Free Cash Flow	36	49	62	77	91	112	136	158	183	208	
growth rate	nm	35.2%	27.4%	23.9%	17.6%	23.0%	21.3%	16.6%	15.7%	13.8%	
Present Value CF	35	44	52	60	66	76	87	94	102	108	
PV Phase I	191				Debt rate	2.0%		Target equity ratio	70%		
PV Phase II	534				Risk premium	5.0%		Beta	1.1		
PV Phase III	2,594				Risk-free rate	3.5%		WACC	7.0%		
Enterprise value	3,319				Sensitivity						
+ Cash	49				Analysis	1.8%	2.3%	2.8%	3.3%	3.8%	
- Debt	197					6.34%	503	555	622	710	
Equity Value	3,171					6.69%	460	503	557	627	
Number of shares	6.3				WACC	7.04%	423	459	504	560	
						7.40%	390	421	458	505	
Value per share	504					7.75%	361	388	419	458	
										507	

Source: Hypoport, Pareto Securities

Investment Case in Charts

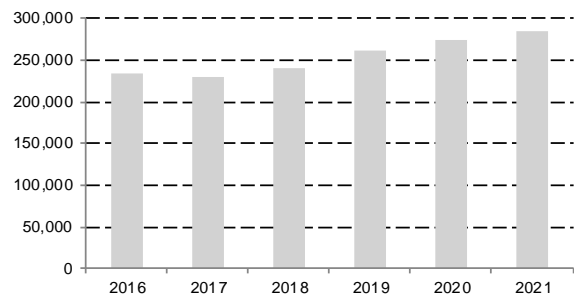
Revenues split (2021)



Credit Platform (Europace) & Retail Cust. (Dr. Klein) are the key revenue pillars, the Ins. Platf. should be the growth engine in the mid-term.

Source: Hypoport, Pareto Sec. Research

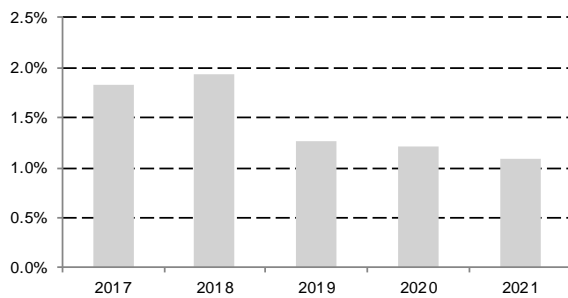
Market development (new mortgage loans in EUR m)



The overall market showed once again a good development in 2021 with an increase by 4% yoy.

Source: Hypoport, Pareto Sec. Research

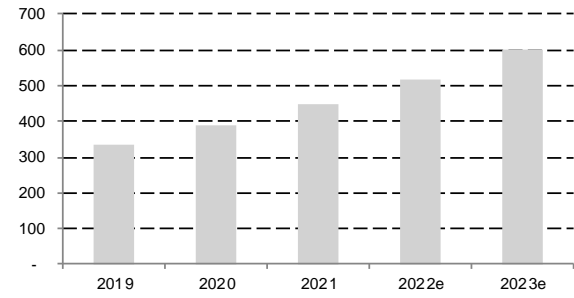
10YR Mortgage Rate development



10YR Mortgage rates on record low levels; we do not expect a sharp increase in the short term.

Source: Hypoport, Pareto Sec. Research

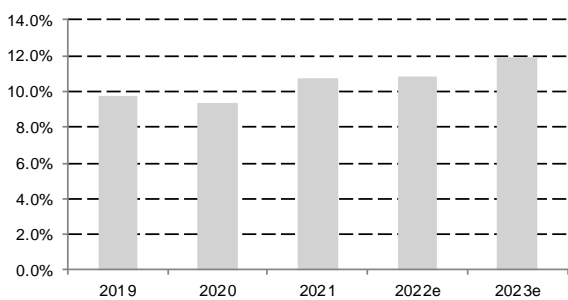
Revenues development (in EUR m)



Driven by the credit and the private clients platform revenue growth should remain strong in 2022e with an increase of 16% yoy.

Source: Hypoport, Pareto Sec. Research

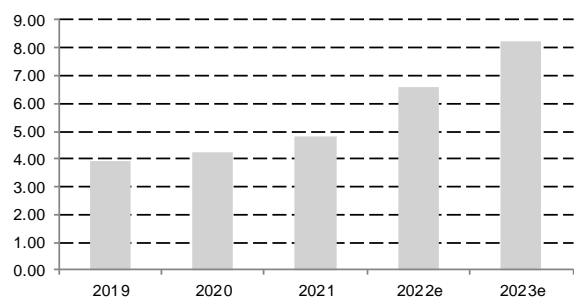
EBIT margin development



We forecast EBIT margin to increase in 2021e by "only" 30bps to 11.0% as REM Capital should not repeat its strong 2021 performance.

Source: Hypoport, Pareto Sec. Research

EPS development (in EUR)



We forecast EPS CAGR of 31% (2021-'24e).

Source: Hypoport, Pareto Sec. Research

Source: Pareto Securities Research, Hypoport

At a Glance

Business Units	Credit Platform	Private Clients	Real Estate Platform	Insurance Platform
Products/ applications	Through its credit platform Europace the company is enabling banks to distribute loans of more than 700 banks to its customers. Banks can also use Europace to solely process their own loan business.	Dr. Klein is the brand through which Hypoport is servicing retail customers. Dr. Klein's more than 600 IFAs advise customers on different financial products, the focus being clearly on mortgage loans.	Hypoport is brokering real estate loans to institutional customers via Dr. Klein Inst. Clients. Following the acquisitions of Value and FIO Hypoport offers also real estate valuation and different software (e.g. for brokering real estate) solutions.	Hypoport's youngest business unit targets the insurance market. Idea is to build an Europace for the insurance industry, i.e. an online insurance market place which comprises products comparison, advice tools and processing of the policies and claims management.
Customers	Customers range from mortgage brokers via Postbank to savings and mutual banks. Savings and mutual banks are serviced via two separate joint ventures.	Customers are normal retail customers with average financing needs. Mortgage customers should be above average incomes.	Customers of Dr. Klein are professional real estate investors, mainly public housing investors. Customers of FIO and Value are mainly banks.	Potential customers include insurance brokers, IFAs and insurance companies. At the moment HYP has only customers which use certain parts of the software.
	Although we do not have any figures we do not see Europace being dependent on a few single customers.	Very diversified customer base, no dependence on single customers at all.	We do not have any figures, but the dependence on single customers may be somewhat higher for Dr. Klein.	Revenues are still on low level, i.e. customer dependence not an issue yet.
Market share/ positioning	Overall market share of Europace in GER in mortgage loans is around 30%. Market share of around 50% among mortgage brokers, market share of between 10-15% among savings and mutual banks.	No figures available, we estimate that Dr. Klein has a market share of around 15% among the brokers, 3% of the total market.	No figures available, but Dr. Klein's market share should be around 20%. FIO has a market share of above 80% among the savings banks with its real estate brokerage software.	Market share not yet meaningful as this unit is still in the ramp-up phase.
Drivers	Main driver is the demand for mortgage loans which is impacted by level of interest rates and demand for apartments/housing.	Main driver is the demand for mortgage loans which is impacted by level of interest rates and demand for apartments/housing.	High dependence on the public hand; even if the need for more public housing is high, the process until construction starts and a loan is needed may take long. Winning market share of FIO & Value among banks.	Overall growth of insurance premiums and growing need for insurers and brokers to increase efficiency.
Main competitors	Interhyp is the only competitor offering a comparable solution.	Main competitors are mortgage brokers like Interhyp, Swiss Life Select and Planet Home. IFAs like MLP, OVB or DVAG focus more on insurance/investment products.	mainly savings banks, our asset mutual and private banks for the brokerage business. Value's main competitor is Sprengnetter, FIO's competitors are other software companies.	At the moment similar software solutions are offered by Acturis and Finanzsoft/sofair.
Entry barriers/ competitive advantage	Entry barriers depend on the different business units. Highest entry barriers exist in our view in Hypoport's strongest growing unit, Europace. With the underlying technology and the extensive customer relationships HYP has a decisive competitive advantage compared to other players.			
Strategy & Guidance	Strategy: (I) Winning more customers for Europace to realize economies of scale. (II) Build-up of an insurance marketplace in the mid-to-long term. (III) Developing Private Clients further which should continue to benefit from the housing boom in Germany. (IV) Further develop the real estate platform.		Guidance 2022: Revenue: EUR 500m-540m EBIT: EUR 51m-58m	Pareto Estimates Revenue: 517 EBIT: 56.3 Consensus Revenue: 517 EBIT: 58.3
2020	Sales (EUR m) 446.3 y/y 15.1%	EBITDA (EURm) 77.1 Margin 17.3%	EBIT (EURm) 47.7 Margin 10.7%	EPS 3Y hist. CAGR 9.4%
Sales & EBIT Split				
Shareholder structure & management	CEO Major shareholder and CEO (since 2010) <ul style="list-style-type: none"> With Hypoport since 2002 >20 years experience in the banking industry prior to becoming CEO he was board member of Hypoport (since 2002). He joined Dr. Klein & Co GmbH & Co. KG in 1996, he became a board member in 2000. 	Stephan Gwarecki Board Member (since 2010) <ul style="list-style-type: none"> With Dr. Klein since 2004 almost 20 years experience in the banking/insurance industry Prior to his career at Dr. Klein Mr. Gwarecki worked for FinanceScout24 and Deutscher Ring Mr. Gwarecki is responsible for the segments Private Clients and Insurance Platform. 	Shareholder structure 	
# of employees FY 2020	2,131			

Source: Hypoport, Pareto Securities

PROFIT & LOSS (fiscal year) (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Revenues	195	266	337	388	446	522	606	694
EBITDA	30	39	52	64	77	88	106	129
Depreciation & amortisation	(7)	(10)	(19)	(28)	(29)	(32)	(34)	(37)
EBIT	23	29	33	36	48	56	72	92
Net interest	(0)	(1)	(2)	(3)	(3)	(4)	(6)	(6)
Profit before taxes	23	28	31	33	44	52	66	86
Taxes	(5)	(6)	(7)	(6)	(14)	(10)	(14)	(18)
Minority interest	-	-	-	-	-	-	-	-
Net profit	18	22	24	28	31	43	52	68
EPS reported	3.10	3.69	3.90	4.44	4.86	6.76	8.27	10.80
EPS adjusted	3.10	3.69	3.90	4.44	4.86	6.76	8.27	10.80
DPS	-	-	-	-	-	-	-	-
BALANCE SHEET (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Tangible non current assets	4	10	35	98	102	103	104	105
Other non-current assets	68	211	269	342	358	363	364	355
Other current assets	54	53	62	79	87	92	98	104
Cash & equivalents	14	32	25	34	49	82	129	170
Total assets	141	306	392	552	596	640	696	734
Total equity	83	153	178	221	253	296	348	416
Interest-bearing non-current debt	13	71	98	168	173	175	177	179
Interest-bearing current debt	3	10	16	22	24	24	24	25
Other Debt	42	71	98	141	145	145	146	114
Total liabilities & equity	141	306	392	552	596	640	696	734
CASH FLOW (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Cash earnings	24	35	45	53	65	72	86	84
Change in working capital	(16)	6	1	(5)	(0)	(5)	(4)	(7)
Cash flow from investments	(21)	(86)	(60)	(60)	(45)	(34)	(37)	(40)
Cash flow from financing	5	63	7	22	(4)	2	2	3
Net cash flow	(8)	19	(7)	9	16	34	47	40
VALUATION (EURm)	2017	2018	2019	2020	2021	2022e	2023e	2024e
Share price (EUR end)	145.4	148.2	315.0	515.0	511.0	246.2	246.2	246.2
Number of shares end period	6	6	6	6	6	6	6	6
Net interest bearing debt	2	49	90	156	148	117	72	34
Enterprise value	867	975	2,060	3,399	3,369	1,670	1,625	1,587
EV/Sales	4.4	3.7	6.1	8.8	7.5	3.2	2.7	2.3
EV/EBITDA	28.8	24.9	39.5	53.2	43.7	19.0	15.3	12.3
EV/EBIT	37.2	33.3	62.4	93.8	70.7	29.7	22.6	17.2
P/E reported	46.9	40.2	80.7	-	-	36.4	29.8	22.8
P/E adjusted	46.9	40.2	80.7	-	-	36.4	29.8	22.8
P/B	10.5	6.0	11.1	14.7	12.8	5.3	4.5	3.7
FINANCIAL ANALYSIS	2017	2018	2019	2020	2021	2022e	2023e	2024e
ROE adjusted (%)	25.1	19.0	14.7	13.9	12.9	15.5	16.2	17.8
Dividend yield (%)	-	-	-	-	-	-	-	-
EBITDA margin (%)	15.5	14.7	15.5	16.5	17.3	16.8	17.5	18.6
EBIT margin (%)	12.0	11.0	9.8	9.3	10.7	10.8	11.9	13.3
NIBD/EBITDA	0.07	1.25	1.72	2.45	1.93	1.33	0.68	0.27
EBITDA/Net interest	-	33.73	33.30	22.49	22.53	22.00	17.55	21.02

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 as new 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 %
Bonheur	240,958	0.57%
Pareto Bank	15,310,160	21.92%
Selvaag Bolig	4,314,865	4.60%
Sparebank 1 Nord-Norge	4,420,827	4.40%
Sparebank 1 SMN	2,144,655	1.65%
Sparebank 1 SR-Bank	2,063,265	0.81%
Sparebank 1 Østfold Akerhus	1,232,229	9.95%
SpareBank 1 Østlandet	3,833,163	3.61%
Sparebanken Møre	817,307	1.65%
Sparebanken Sør	433,744	2.77%
Sparebanken Vest	6,862,344	6.39%
NEXT Biometrics	710,901	0.78%
SpareBank 1 Sør-Øst-Norge	1,771,308	2.81%

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
AF Gruppen	0	1,825
Aker ASA	500	2,694
Aker BP	0	30,574
Aker Carbon Capture	0	4,926
Aker Clean Hydrogen	0	140,540
Aker Horizons	0	125,548
Aker Offshore Wind	0	165,118
Aprila Bank ASA	0	22,675
B2Holding AS	0	10,940
Bonheur	0	32,088
Borregaard ASA	0	650
Bouvet	0	940
BRABank	0	31,499
BW Energy	0	112,160
BW Offshore	0	17,976
Cloudberry Clean Energy	0	101,750
Desert Control	0	31,500
DNB	0	50,245
DNO	0	70,258
Elkem	0	72,067
Elmeria Group ASA	0	30,503
ELOP	0	140,000
Equinor	0	2,623
Europris	0	16,608
Flex LNG	0	717
Frontline	0	12,190
Gaming Innovation Group	0	25,912
Gjensidige Forsikring	0	7,846
Greg Seafood	0	8,889
Hafnia Ltd.	0	90,530

Company	Analyst holdings*	Total holdings
Huddly	0	995,173
HydrogenPro	0	38,966
Kalera	0	31,752
Kitron	0	19,336
Komplett Bank	0	209,400
Kongsberg Gruppen	0	281
KWS	75	75
Leroy Seafood Group	0	39,363
Meltwater	0	30,700
Mercell	0	24,863
Mowi	0	399
MPC Container Ships	0	21,695
NEXT Biometrics	0	710,901
Nordic Semiconductor	0	8,756
Norco	0	590
Norse Atlantic	0	40,000
Norsk Hydro	0	84,189
Norske Skog	0	107,499
Northern Drilling Ltd.	0	115,919
Odjell Drilling	0	28,581
Okeanis Eco Tankers	0	3,920
Orkla	0	23,648
Panoro Energy	0	29,463
Pareto Bank	0	1,339,814
Pexip Holding	0	156,883
PGS	0	11,676
Protector Forsikring	0	15,300
Pryme	0	5,000
Pyrum Innovations	0	100
REC Silicon	0	34,281
SailMar	0	2,604
Sandnes Sparebank	0	4,013
Scatec	0	31,074
Seadrill Ltd	0	596
Selvaag Bolig	0	3,093
Sparebank 1 Nord-Norge	0	3,350
Sparebank 1 SMN	0	16,884
Sparebank 1 SR-Bank	0	17,404
SpareBank 1 Østfold Akerhus	0	1,252
SpareBank 1 Østlandet	0	9,621
Sparebanken Sør	0	16,435
Sparebanken Vest	0	17,463
Sparebanken Øst	0	1,500
Stolt-Nielsen	0	1,817
Storbrand	0	39,798
Subsea 7	0	23,187
Telenor	0	13,602
TGS	0	600
Vov	0	9,331
Vov Green Metals	0	19,681
Vår Energi	0	84,672
Wallenius Wilhelmsen	0	5,150
XXL	0	20,523
Yara	0	18,537
Zaptec	0	15,610

This overview is updated monthly (last updated 16.05.2022).

*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:

Aker ASA	Qred Holding
Aker Clean Hydrogen	Quantafuel
Aker Offshore Wind	Saga Robotics
Alva Industries AS	Salmon Evolution
Apriila Bank ASA	Sartorius-Herbst
Arcane Crypto	Seagems Norway
Bar Amundi Group Pte. Ltd.	Seajacks
Biomega Group AS	Shamar Petroleum
Bonheur	Slate European Holdings
Boreal Holding AS	Smart Wires Inc.
Brooge Petroleum and Gas	Swedencare
BW LPG	TEMPTON GmbH
BW Offshore	Tier klinik Hofheim GbR
Cabonline Group Holding AB	Trander Energi AS
Cavai AS	Vegfinans AS
Cloudberry Clean Energy	Vestby Logistikk Holding
Dampskibsselskabet NORDEN A/S	Viking ACQ 1 AS, SPAC
DNO	Vår Energi
Documaster AS	Waldorf Production UK Ltd
ELOP	Waste Plastic Upcycling wheel.me
Enapter AG	Xeneta AS
Ensurge Micropower	Ymber AS
Enviv AS (Books)	ZTL Payment Solution AS
Esmailzadeh Holding	
First Camp Group AB	
Flex LNG	
FREYR Battery	
Funkwerk AG	
Global Agrarjes (Fertiberia group)	
Golar LNG	
GramCar Carriers	
Green Transition Holding	
Greentood	
Grøntvedt AS	
Hafslund Eco	
Hagal AS	
Halodi Robotics AS	
HKN Energy Ltd	
HMH Holding	
Ice Group	
Immunopharma	
InoBat Auto	
International Petroleum Corporation	
JP/Politiken's Forlag	
Kalera	
Kebony	
Kentech Global Plc	
Keppel FELS Limited	
KMC Properties	
Komplett ASA	
Kruse Smith	
Kvitebjørn Varme	
Lakers Holding AS	
Lerøy Seafood Group	
Lumaline AS	
Malorama Holding AS	
Mathesa Bostadsbolaget AB	
Mer cell	
Mime Petroleum	
Modex AS	
Multitude SE	
Navios Maritime Acquisitions	
Navios Maritime Holdings	
Nordic Halibut	
Noreco	
Norlandia Health & Care Group AS	
Norwegian Block Exchange	
Odjell Oceanwind	
Otello Corporation	
Pareto Bank	
PetroNor E&P	
PHM Group	
Ping Petroleum UK Limited	
poLight	
Pronofa AS	
Protector Forsikring	
Pryme	
Pyrum Innovations	

This overview is updated monthly (this overview is for the period 30.04.2021 – 30.04.2022).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	77%
Hold	22%
Sell	1%

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	89%
Hold	11%
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 16.05.2022).

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:

Cibus Nordic Real Estate AB	Josemaria Resources	Sedana Medical
Green Landscaping Group AB	Implantica	Studentbostäder i Norden
Hexatronix	Isot Medical AB	Surigical Science
Hexicon	Media & Games Invest plc.	VNV Global

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.	Media & Games Invest plc.	Shamar Petroleum
ByggPartner i Dalarna Holding	Mentice AB	Surigical Science
Cibus Nordic Real Estate	Minesto	Tethys Oil
Isot Medical	Sällängen Property Invest	Vostok Emerging Finance
Logistri Fastighets AB	SciBase Holding	
Magnolia Bostad	Sedana 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

Member of the Pareto Group is providing Business Management services to the following companies:

Aarhus Residential's Denmark AB	Delarka	Logistri Fastighets AB
Backaheden Fastighets AB	Fleming Properties AB	Mälarsen AB
Bonäsudden Holding AB (publ)	Halmslätten Fastighets AB (publ)	One Publicus Fastighets AB
Borglanda Fastighets AB	Korsängen Fastighets AB (publ)	Origa Care AB (publ)
Bosjö Fastigheter AB	Krona Public Real Estate AB	Præsarium Property 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 16.05.2022).

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

2G Energy *	Inter shop Communications AG	OVB Holding AG
Biotech *	Leifheit	Procredit Holding *
CORESTATE Capital Holding S.A.	Logwin *	PSI SOFTWARE AG *
Daldrup & Söhne	Manz AG *	PWO *
Demire	MAX Automation SE	S&T AG *
EpiGenomics AG *	Merkur Bank	SMT Scharf AG *
Gesco *	MLP *	Surteco Group *
Ger ry Weber	Mühl Produkt & Service AG	Szygy AG *
GFT Technologies *	mutares	TAKKT AG
Gigasat *	Northern Data AG	Viscom *
Heidelberg Pharma *		

* 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.

Baywa	Ger ry Weber	Mynaric
BB Biotech	Hypoport AG	mutares
CLIQ Digital	Inter shop Communications AG	Northern Data AG
Daldrup & Söhne	Leifheit	OHB SE
Dermaphar m Holding SE	MAX Automation SE	OVB Holding AG
Enapter	Mer kur Bank	Siegl Fried Holding AG
Expr es2ion Biotechnologies		

This overview is updated monthly (last updated 16.05.2022).