



## Future of Epi proColon is now highly uncertain, downgrade to Hold

*To our great surprise, CMS proposed to non-cover Epi proColon. While the final decision is not due until mid-January 2021, a change of the outcome would likely be very challenging to achieve. The tough situation is amplified by the dire liquidity position of the company as all strategic options are now being explored by the management. As a result of a much lower probability of Medicare reimbursement and some minor adjustments, we lower our target price to €0.8 per share and downgrade recommendation to Hold.*

### Very surprising outcome of the NCD

CMS had stated that there is no direct evidence that shows that blood-based colorectal cancer screening tests improve health outcomes, such as mortality or cancer survival, to benefit Medicare beneficiaries. This is rather surprising given two peer-reviewed microsimulation models that demonstrate mortality reduction, neither of which are even discussed by CMS in the 60+ page report.

### The preliminary decision is not set in stone though

There is still a 30-day public comment period which is now live, following which CMS will publish their final decision within 60 days (due by January 14th). The company will use this opportunity to try to alter the decision, though this will likely be very challenging.

### However, liquidity is a major issue

As of Q3 '20, there is only €6.6m of liquid assets, enough to last into Q1 2021. We do not believe there is not enough time for a positive trigger for the shares to recover in the next several months.

EURm	2018	2019	2020e	2021e	2022e
Revenues	2	1	1	1	1
EBITDA	(13)	(14)	(10)	(8)	(7)
EBIT	(13)	(15)	(10)	(8)	(7)
EPS	(0.37)	(0.46)	(0.19)	(0.15)	(0.14)
EPS adj	(0.37)	(0.46)	(0.19)	(0.15)	(0.14)
DPS	-	-	-	-	-
EV/EBITDA	-	-	-	-	-
EV/EBIT	-	-	-	-	-
P/E adj	-	-	-	-	-
P/B	3.42	5.22	-	-	-
ROE (%)	-	-	-	-	-
Div yield (%)	-	-	-	-	-
Net debt	(16)	(10)	1	8	15

Source: Pareto

Target price (EUR)	0.80
Share price (EUR)	0.79

Forecast changes			
%	2020e	2021e	2022e
Revenues	(81)	(90)	NM
EBITDA	21	(4)	NM
EBIT adj	21	0	NM
EPS reported	38	24	NM
EPS adj	38	24	NM

Source: Pareto

Ticker	ECXN.DE, ECX GR
Sector	Healthcare
Shares fully diluted (m)	47.1
Market cap (EURm)	37
Net debt (EURm)	1
Minority interests (EURm)	0
Enterprise value 20e (EURm)	38
Free float (%)	69

### Performance



Source: Factset

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## Negative preliminary decision for Epi proColon

To our great surprise, the US CMS (Centers for Medicare & Medicaid Services) has issued a negative reimbursement proposal in connection with the National Coverage Determination (NCD) of Epi proColon (full report – [here](#)). What the CMS did instead was to propose that the certain evidence is sufficient to cover a blood-based biomarker test as an appropriate colorectal cancer screening test once every 3 years (or at the interval designated in the FDA label):

- ▶ FDA market authorization with an indication for colorectal cancer screening; and
- ▶ proven test performance characteristics for a blood based screening test with both sensitivity greater than or equal to 74% and specificity greater than or equal to 90% in the detection of colorectal cancer compared to the recognized standard (accepted as colonoscopy at this time), based on the pivotal studies included in the FDA labeling; and
- ▶ inclusion as a recommended routine colorectal cancer screening test in at least one professional society guideline or consensus statement or United States Preventive Services Task Force (USPSTF) recommendation.

Given that Epi proColon does not meet all of these requirements (sensitivity – 72%, specificity - 81%, no support from a professional society), the CMS proposed to non-cover the Epi proColon test. The basis for this criterion seemed its view that “there is no direct evidence on clinical utility that shows that blood-based colorectal cancer screening tests improves health outcomes, such as mortality or cancer survival, to benefit Medicare beneficiaries”. Therefore, the agency proposes using “point estimates” from FIT and Cologuard to infer mortality reduction, which is how the 74%/90% sensitivity/specificity criteria is derived. This is one area Epigenomics will try to contest as there are two peer-reviewed microsimulation models (including industry “gold standard” CISNET NCI model), which demonstrate that mortality reduction, neither of which were even considered in the report.

Another surprise to us has been the requirement of inclusion in professional guideline or USPSTF recommendation. This appears inconsistent with prior CRC NCDs (ex. Cologuard) and appears counterintuitive for coverage of breakthrough technologies, given that guideline durations are typically every 5-8 years, according to the company.

At this time, we are in the 30-day public comment period, which will be used to further convince CMS of the benefits of Epi proColon. Once the comment period is over, CMS will publish their final decision within 60 days (due by January 14<sup>th</sup>). If the final decision is also negative, Epigenomics would appeal the decision.

During the call on Tuesday, the company also issued some preliminary Q3 figures. The company posted roughly €0.2m of revenues and -€2.6m of adjusted EBITDA. The revenue guidance for 2020 remains suspended, and the adj. EBITDA should now come in between -€10m and -€11m (from between -€10.5m and -€12.5m). Cash burn should match adj. EBITDA.

The most concerning issue right now for the company is liquidity. As of Q3, there is only €6.6m of liquid assets, only enough to last into Q1 2021. The final decision from CMS is not due until mid-January. The appeal process (should the final decision remain negative) would only follow afterwards with an unclear timeline. Therefore, there is likely not enough time for a positive trigger needed for the shares to recover and make a capital raise an attractive option. On the call, the management emphasized that all strategic options are on the table, though more detail was not given.

## Valuation

While we do include HCCBloodTest (still in the pipeline) in our valuation, the commercial success of Epi proColon is by far the most important driver of our DCF analysis. Due to the surprising negative (to Epi proColon) CMS preliminary decision we have lowered the probability of Medicare reimbursement to mere 10% (from 75%). The company will contest the preliminary decision, but we believe it would be very challenging to get it overturned. However, Epigenomics does have valid arguments to raise, and so a different outcome is not impossible, in our view. As a result of much lower probability of Medicare reimbursement and some minor adjustments, we lower our target price to €0.8 per share (from €4.2) and change recommendation to Hold (from Buy).

### DCF

EUR m	Phase I					Phase II				
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e
<b>Revenues</b>	<b>0.6</b>	<b>1.0</b>	<b>1.3</b>	<b>2.8</b>	<b>10.8</b>	<b>19.5</b>	<b>28.3</b>	<b>37.5</b>	<b>41.7</b>	<b>45.5</b>
<i>growth rate</i>	(42%)	59%	28%	111%	289%	80%	45%	33%	11%	9%
<b>EBIT</b>	<b>(10.0)</b>	<b>(7.7)</b>	<b>(7.4)</b>	<b>(6.2)</b>	<b>0.8</b>	<b>3.6</b>	<b>6.4</b>	<b>10.5</b>	<b>14.3</b>	<b>15.3</b>
<i>EBIT margin</i>	(1541%)	(746%)	(562%)	(221%)	7%	19%	23%	28%	34%	34%
<b>Tax</b>	<b>2.1</b>	<b>1.6</b>	<b>1.6</b>	<b>1.3</b>	<b>(0.2)</b>	<b>(0.8)</b>	<b>(1.4)</b>	<b>(2.2)</b>	<b>(3.0)</b>	<b>(3.2)</b>
<i>Tax rate</i>	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%
<b>Depr. &amp; Amort.</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.3</b>	<b>0.6</b>	<b>0.9</b>	<b>1.2</b>	<b>1.4</b>	<b>1.5</b>
<i>% of sales</i>	29.9%	2.9%	2.9%	3.0%	3.1%	3.1%	3.2%	3.2%	3.3%	3.3%
<b>Capex</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.4)</b>	<b>(0.6)</b>	<b>(0.9)</b>	<b>(1.3)</b>	<b>(1.4)</b>	<b>(1.6)</b>
<i>% of sales</i>	3.0%	3.1%	3.1%	3.2%	3.3%	3.3%	3.4%	3.4%	3.5%	3.5%
<b>Change in WC &amp; P</b>	<b>(1.8)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(1.3)</b>	<b>(1.5)</b>	<b>(1.6)</b>	<b>(1.8)</b>	<b>(0.9)</b>	<b>(0.9)</b>
<i>% of sales</i>	280.7%	5.5%	3.3%	8.4%	12.0%	7.6%	5.6%	4.7%	2.2%	2.0%
<b>Free Cash Flow</b>	<b>(9.6)</b>	<b>(6.1)</b>	<b>(5.9)</b>	<b>(5.1)</b>	<b>(0.7)</b>	<b>1.3</b>	<b>3.4</b>	<b>6.5</b>	<b>10.2</b>	<b>11.1</b>
<i>growth rate</i>						NA	159%	89%	58%	8%
<b>Present Value FCF</b>	<b>(2.3)</b>	<b>(5.3)</b>	<b>(4.6)</b>	<b>(3.5)</b>	<b>(0.4)</b>	<b>0.7</b>	<b>1.7</b>	<b>2.8</b>	<b>3.9</b>	<b>3.8</b>
<b>PV Phase I</b>	<b>(3)</b>				<b>Risk free rate</b>	3.5%		<b>Target equity ratio</b>	90%	
<b>PV Phase II</b>	<b>35</b>				<b>Premium Equity</b>	5.0%		<b>Beta</b>	2.0	
					<b>Premium Debt</b>	2.0%		<b>WACC</b>	12.5%	
<b>Enterprise value</b>	<b>31</b>									
<b>+ Cash</b>	<b>7</b>									
<b>- Debt</b>	<b>0</b>									
<b>Equity value</b>	<b>38</b>									
<b>Number of shares</b>	<b>47.1</b>									
<b>Value per share - DCF (€)</b>	<b>0.80</b>									
					<b>WACC</b>					

Source: Pareto Securities Research

<b>PROFIT &amp; LOSS (fiscal year) (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
<b>Revenues</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>EBITDA</b>	<b>(9)</b>	<b>(12)</b>	<b>(10)</b>	<b>(13)</b>	<b>(14)</b>	<b>(10)</b>	<b>(8)</b>	<b>(7)</b>
Depreciation & amortisation	(1)	(0)	(0)	(0)	(1)	(0)	(0)	(0)
<b>EBIT</b>	<b>(9)</b>	<b>(12)</b>	<b>(10)</b>	<b>(13)</b>	<b>(15)</b>	<b>(10)</b>	<b>(8)</b>	<b>(7)</b>
Net interest	0	0	(0)	(1)	0	(2)	(2)	(1)
Other financial items	-	-	-	-	-	-	-	-
<b>Profit before taxes</b>	<b>(9)</b>	<b>(12)</b>	<b>(10)</b>	<b>(13)</b>	<b>(15)</b>	<b>(12)</b>	<b>(9)</b>	<b>(8)</b>
Taxes	0	1	0	1	(2)	2	2	2
Minority interest	-	-	-	-	-	-	-	-
<b>Net profit</b>	<b>(9)</b>	<b>(11)</b>	<b>(10)</b>	<b>(13)</b>	<b>(17)</b>	<b>(9)</b>	<b>(7)</b>	<b>(7)</b>
EPS reported	(0.52)	(0.55)	(0.43)	(0.37)	(0.46)	(0.19)	(0.15)	(0.14)
<b>EPS adjusted</b>	<b>(0.52)</b>	<b>(0.55)</b>	<b>(0.43)</b>	<b>(0.37)</b>	<b>(0.46)</b>	<b>(0.19)</b>	<b>(0.15)</b>	<b>(0.14)</b>
DPS	-	-	-	-	-	-	-	-
<b>BALANCE SHEET (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Tangible non current assets	1	1	1	1	2	2	2	2
Other non-current assets	1	2	2	3	0	(0)	(0)	(0)
Other current assets	3	4	4	2	2	2	2	2
Cash & equivalents	8	12	13	16	10	10	10	10
<b>Total assets</b>	<b>13</b>	<b>18</b>	<b>20</b>	<b>22</b>	<b>14</b>	<b>13</b>	<b>14</b>	<b>14</b>
Total equity	7	14	11	19	10	(0)	(7)	(15)
Interest-bearing non-current debt	-	-	-	-	-	-	-	-
Interest-bearing current debt	1	-	-	-	-	11	18	26
Other Debt	4	4	9	3	4	2	2	2
<b>Total liabilities &amp; equity</b>	<b>13</b>	<b>18</b>	<b>20</b>	<b>22</b>	<b>14</b>	<b>13</b>	<b>14</b>	<b>14</b>
<b>CASH FLOW (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
Cash earnings	(9)	(12)	(9)	(11)	(13)	(9)	(7)	(7)
Change in working capital	0	(1)	(0)	1	(0)	(2)	(0)	(0)
Cash flow from investments	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Cash flow from financing	28	18	29	13	7	11	7	7
Net cash flow	20	4	20	3	(7)	-	-	-
<b>CAPITALIZATION &amp; VALUATION (EURm)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
<b>Share price (EUR end)</b>	<b>2.07</b>	<b>4.24</b>	<b>3.96</b>	<b>1.77</b>	<b>1.37</b>	<b>0.79</b>	<b>0.79</b>	<b>0.79</b>
Number of shares end period	18	20	24	36	37	47	47	47
Net interest bearing debt	(7)	(12)	(13)	(16)	(10)	1	8	15
<b>Enterprise value</b>	<b>30</b>	<b>75</b>	<b>82</b>	<b>47</b>	<b>40</b>	<b>38</b>	<b>45</b>	<b>53</b>
EV/Sales	14.4	17.7	44.2	30.7	35.7	-	44.0	39.9
<b>EV/EBITDA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
EV/EBIT	-	-	-	-	-	-	-	-
P/E reported	-	-	-	-	-	-	-	-
<b>P/E adjusted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
P/B	5.2	6.0	9.0	3.4	5.2	-	-	-
<b>FINANCIAL ANALYSIS &amp; CREDIT METRICS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020e</b>	<b>2021e</b>	<b>2022e</b>
ROE adjusted (%)	-	-	-	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-	-	-	-
EBITDA margin (%)	-	-	-	-	-	-	-	-
EBIT margin (%)	-	-	-	-	-	-	-	-
NIBD/EBITDA	0.78	0.96	1.29	1.31	0.72	(0.12)	(1.06)	(2.09)
EBITDA/Net interest	-	-	-	-	-	-	-	-

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## Appendix A

Disclosure requirements pursuant to the Norwegian Securities Trading Regulations section 3-10 (2) and section 3-11 (1), letters a-b

The below list shows companies where Pareto Securities AS - together with affiliated companies and/or persons – own a portion of the shares exceeding 5 % of the total share capital in any company where a recommendation has been produced or distributed by Pareto Securities AS.

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,006,735	9.61%	SpareBank 1Østfold Akerst	1,139,560	9.20%
Pareto Bank ASA	15,994,312	22.90%	Sparebanken Vest	6,361,336	5.93%

Pareto Securities AS or its affiliates own as determined in accordance with FINRA Rule 2241, 1 % or more of the equity securities of:

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Bayerische Motoren Werke /	1,222,048	2.18%	SpareBank 1SMN	1,875,442	1.44%
Helgeland Sparebank	2,006,735	9.61%	SpareBank 1Østfold Akerst	1,139,560	9.20%
NHST Media Group AS	17,900	1.39%	SpareBank 1Østlandet	1,743,409	1.63%
Pareto Bank ASA	15,994,312	22.90%	Sparebanken Møre	305,239	3.09%
Selvaag Bolig ASA	2,177,497	2.32%	Sparebanken Sør	433,544	2.77%
SpareBank 1BV	1,640,220	2.60%	Sparebanken Vest	6,361,336	5.93%
SpareBank 1Nord-Norge	3,220,305	3.21%	Totens Sparebank	78,246	1.28%

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
Aker ASA	500	1,470	Fjordkraft Holding	0	10,100	Pareto Bank	0	1223,702
Aker BP	0	23,995	Frontline	0	42,918	Pexip Holding	0	6,139
Aker Carbon Capture	0	178,028	Gjensidige Forsikring	0	7,280	Protector Forsikring	0	13,400
American Shipping Company	0	3,780	Golden Ocean Group	0	1,433	Quantafuel	0	6,100
Arcus	0	2,684	Grieg Seafood	0	9,890	REC Silicon	0	32,500
Atlantic Sapphire	0	9,410	Hafnia Limited	0	30,000	SalMar	0	305
Austevoll Seafood	0	4,135	Hunter Group ASA	0	15,400	Sandnes Sparebank	0	5,782
Avance Gas	0	4,374	Ice Group ASA	0	170,000	Sbanken ASA	0	4,520
B2Holding AS	0	14,075	Kid ASA	0	783	Scatec Solar	0	20,000
Bakkafrost	0	89	Komplett Bank	0	88,300	Schibsted ASA B Aksjer	0	631
BASF	270	270	Kongsberg Gruppen	0	37,237	Selvaag Bolig	0	2,350
Bonheur	0	33,312	KWS	75	75	SpareBank 1BV	0	7,000
Borregaard ASA	0	500	Lerøy Seafood Group	0	4,663	SpareBank 1SMN	0	12,740
Bouvet	0	94	Mowi	0	4,594	SpareBank 1SR-Bank	0	17,752
BRABank	0	31,499	NORBIT ASA	0	7,453	Sparebanken Sør	0	16,235
BW Energy	0	43,075	Nordic Semiconductor	0	4,590	Sparebanken Vest	0	5,409
BW Offshore	0	8,326	Norsk Hydro	0	92,721	Sparebanken Øst	0	1,500
DNB	0	24,636	Norske Skog	0	3,550	Stolt-Nielsen	0	41,317
DNO	0	499,263	Norwegian Finans Holding	0	3,210	Storebrand	0	7,462
Elkem	0	7,198	NTS	0	2,272	Subsea 7	0	5,226
Entra	0	10,442	Ocean Yield	0	52,305	Telenor	0	2,147
Equinor	0	3,369	Okeanis Eco Tankers	0	2,000	VOW	0	4,681
Europris	0	12,756	Orkla	0	19,353	XXL	0	12,573
Fjord1ASA	0	50,000	Panoro Energy	0	9,285	Yara	0	14,471

This overview is updated monthly (last updated 14.10.2020).

\*Analyst holdings refer to positions held by the Pareto Securities AS analyst covering the company.

## Appendix B

Disclosure requirements pursuant to the Norwegian Securities Trading Regulation § 3-11, letters e-f, ref the Securities Trading Act Section 3-10

Overview over issuers of financial instruments where Pareto Securities AS have prepared or distributed investment recommendation, where Pareto Securities AS have been lead manager/co-lead manager or have rendered publicly known not immaterial investment banking services over the previous 12 months:

24SevenOffice Scandinavia	Hafnia Limited	Pexip Holding
Acconer AB	Helgeland Sparebank	Pinewood Laboratories
Avanzia Bank	HKN Energy Ltd	Pioneer Property Group
Africa Energy Corp	HydrogenPro	Providences Inv. Mngmt Pty
Aker ASA	ICW Holding	Quantafuel
American Tanker, Inc.	Instabank ASA	Salmon Evolution
Aprilia Bank ASA	Kingfish Zeeland	Sandnes Sparebank
Boreal Holding AS	Klaveness Combination Carriers ASA	Scorpio Bulkers Inc.
Borr Drilling Limited	Komplett Bank	Seadrill Ltd
BRABank	Kongsberg Automotive	Sparebanken Vest
Brooge Energy Limited	Luxaviation Holding	United Camping AB
BWEnergy	Mercell	Watercircles Forsikring ASA
Cabonline Group Holding AB	Mint ra Group	
Cibus Nordic Real Estate	MPC Container Ships	
Cloudberry Clean Energy AS	Mutares SE & Co. KGaA	
Crayo Nano AS	Navigator Holdings Ltd.	
Digiplex	Next Biometrics Group	
DOF	Northern Ocean	
DOF Subsea AS	Norwegian Air Shuttle	
ELOP	Ocean Yield	
Erwe Immobilien	Odfjell SE	
Fjordkraft Holding	OHT ASA	
Genel Energy	PGS	

*This overview is updated monthly (this overview is for the period 31.09.2019 – 31.09.2020).*

## Appendix C

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

### Distribution of recommendations

Recommendation	% distribution
Buy	65%
Hold	29%
Sell	5%

### Distribution of recommendations (transactions\*)

Recommendation	% distribution
Buy	67%
Hold	29%
Sell	4%

\* 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 15.10.2020).



## Appendix D

This section applies to research reports prepared by Pareto Securities AB.

### Disclosure of positions in financial instruments

The beneficial holding of the Pareto Group is 1 % or more of the total share capital of the following companies included in Pareto Securities AB's research coverage universe: None

The Pareto Group has material holdings of other financial instruments than shares issued by the following companies included in Pareto Securities AB's research coverage universe: None

### Disclosure of assignments and mandates

Overview over issuers of financial instruments where Pareto Securities AB has prepared or distributed investment recommendation, where Pareto Securities AB has been lead manager or co-lead manager or has rendered publicly known not immaterial investment banking services over the previous twelve months:

24SevenOffice Scandinavia AB	IRRAS AB	Minesto	Sedana Medical
Azelio	Isofol Medical AB	Pexip Holding	ShaM aran Petroleum
Bionvent	Jetpak Top Holding AB	Pledpharma AB	Vicore Pharma
Climeon AB	Mentice AB	QleanAir Holding	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.	Magnolia Bostad	Logistri Fastighets AB	ShaM aran Petroleum
ByggPartner i Dalarna Holding	Media & Games Invest plc.	Saltängen Property Invest	Surgical Science
Cibus Nordic Real Estate	Mentice AB	SciBase Holding	Tethys Oil
Isofol Medical	Minesto	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	M älaråsen
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 15.10.2020).*

## Appendix E

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

### Designated Sponsor

Pareto Securities acts as a designated sponsor for the following companies, including the provision of bid and ask offers. Therefore, we regularly possess shares of the company in our proprietary trading books. Pareto Securities receives a commission from the company for the provision of the designated sponsor services.

2G Energy *	Gigaset *	MLP *	Siemens Healthineers AG
Baywa	Heidelberg Pharma *	MOBOTIX AG	SMT Scharf AG *
Biotest *	Hypoport AG	mutares	Surteco Group *
Brenntag	Intershop Communications AG	OVH Holding AG	Syzygy AG *
CORESTATE Capital Holding S.A.	ISRA Vision	Procredit Holding *	TAKKT AG
Daldrup & Söhne	Leifheit	PSI SOFTWARE AG *	Vapiano
Demire	Logwin *	PWO *	va-Q-tec *
Epigenomics AG*	Manz AG *	RIB Software *	Viscom *
Gesco *	MAX Automation SE	S&T AG *	
GFT Technologies *	Merkur Bank	SCOUT24	

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

## Appendix F

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

### Sponsored Research

Pareto Securities has entered into an agreement with these companies about the preparation of research reports and—in return - receives compensation.

Adler Modemaerkte	Daldrup & Söhne	Intershop Communications AG	mutares
Baywa	Dermapharm Holding SE	Leifheit	OHB SE
BB Biotech	First Sensor	MAX Automation SE	OVH Holding AG
B.R.A.I.N.	Godewind Immobilien AG	Merkur Bank	Stegfried Holding AG
comdirect	Hypoport AG	MOBOTIX AG	

*This overview is updated monthly (last updated 15.10.2020).*