

Low price & high quality

BW Energy is an E&P company that is expected to increase its oil production to ~12,500 bbl/day in 2020 (up 45% yoy) from its main asset offshore Gabon. The company has USD 184m of cash, no debt and flexibility to lower its FCF break-even to USD 25/bbl from 2021 and beyond if needed. As such, BW Energy is well positioned to weather also a prolonged period of low oil prices while we see 3-5x upside potential to the current share price based on future cash flow/dividends in a Brent 50/bbl environment. With a superior balance sheet, attractive assets and 60% upside to the pricing of its closest peers, we highlight BW Energy as one of our top picks. We initiate coverage with BUY/TP NOK 33.

USD 184m of cash, no debt and flexibility on pacing of future growth

BW Energy's main asset is the Dussafu block (73.5% WI) offshore Gabon. We expect the company to produce 12,500 bbl/day net of oil in 2020 (opex USD 15-17/bbl), which is up 45% from 2019. Thereafter, the temporary halted Hibiscus & Ruche development have potential to provide growth to >25,000 boe/day net (opex USD 10/boe) by 2022-23e. However, BW Energy as operator importantly has flexibility to adjust further growth investments out in time resulting in a FCF cash flow break-even Brent price of USD 25/bbl in 2021-22e if needed. Combined with USD 184m of cash as of Feb'20 (est. to decline to USD 65m at YE'20) and no debt, this provides a solid financial foundation post the announced 50% capex cut to USD 125m in 2020 (still net cash at YE'20e at Brent 15/bbl this year). BW Energy is therefore well positioned to weather an extended period of lower oil prices.

Cash flow at USD 50/bbl supports 3.5-5.3x upside potential to current pricing

If we assume a Brent oil price recovery to USD 50/bbl in 2021 and beyond, BW Energy will have a combined negative FCF of USD 120m in 2021-22e as it invests to lift production at Dussafu. This will result in a modest peak net debt position of USD 60m and a fully invested EV of USD 250m at YE'22. Thereafter, higher volumes and a further improved cost position will enable the company to generate an average annual FCF 220m in 2023-25e at Brent USD 50/bbl. Combined, this is ~3x the current EV and sufficient to support USD 100m of annual dividends based on BWE's previously guided up to 50% of net profit pay-out ratio. At a dividend yield pricing of 10-15%, this implies upside potential of 3.5-5.3x the current share price before factoring in other upsides.

We initiate coverage with a BUY recommendation and TP NOK 33

We estimate BW Energy's NAV at NOK 33/share based on Brent USD 60/bbl long-term, 10% WACC and USDNOK 10. Our NAV declines by NOK 8/share to NOK 25/share if we reduce our long-term Brent assumption to USD 50/bbl. If we exclude the long-term upside potential of both Maromba (development will not go ahead in today's environment and is not included in our estimates) and future exploration at Dussafu combined valued at NOK 4/share, this still implies that BW Energy trades at P/NAV of 0.3x. This is well below peers with ~60% upside to the pricing of companies such as Panoro (Dussafu partner) and Africa Oil (emerging market exposure). We also note that BW Energy has underperformed peers since listing despite its debt free balance sheet and ability to weather a prolonged period of low oil prices. The company also has a strong track-record of operational delivery and value creation (organic reserves growth of 7.5x the last 3 years). Further, it's worth noting that the current cash balance (NOK 8.4/share) is equivalent to the current market cap of BW Energy. The main risks to our positive view on BW Energy are lower than expected oil prices, operational issues caused by COVID-19 and unforeseen negative political changes in Gabon. BUY/TP NOK 33

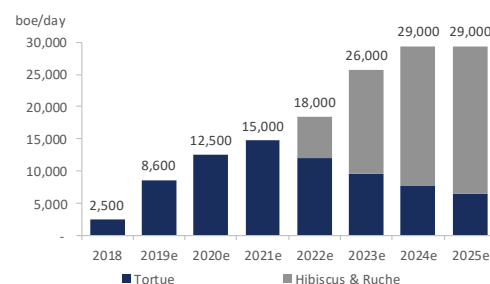
Please note that Pareto Securities acted as manager and bookrunner of the IPO of BW Energy.



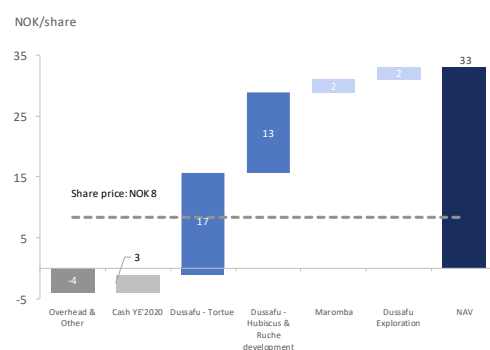
Target price (NOK)	33.0
Share price (NOK)	8.4

Ticker	BWE.OL, BWE NO
Sector	E&P
Shares fully diluted (m)	234.3
Market cap (USDm)	187
Net debt (USDm)	-64
Minority interests (USDm)	0
Enterprise value 20e (USDm)	123

Production profile



Risked NAV



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Company overview

BW Energy is an oil producing E&P company with its main assets offshore Gabon and Brazil. The company was established by BW Offshore and BW Group in 2016, which owns 39% and 35% of the company, respectively. Currently, it has 83 mill bbl of 2P reserves and 164 mill bbl of 2C resources net, which both are 100% oil. The company expects to produce between 11,800-13,600 bbl/day net in 2020, which is up ~45% from 2019. By progressing the now halted Hibiscus & Ruche development, the company could grow production to 30,000 boe/day by 2023-24e. BW Energy was listed on the Oslo Stock Exchange in February 2020 and currently has a market capitalization of USD 185m.

After raising USD 125m in the IPO, the company had USD 184m of cash and no debt in February 2020. In addition, the company expects to secure a USD 200m RBL bank facility near-term with a USD 100m accordion secured against the Dussafu license (drawable amount likely to be lower in the current environment). BW Energy recently announced that it will reduce 2020 capex with 50% to USD 125m in order to preserve a strong balance sheet, which we think is a prudent move given the current uncertain outlook. This is made possible by a halt in drilling and postponement of investments in the Hibiscus & Ruche development, which if needed can be moved further out in time. Combined with positive CFO down to around Brent USD 25/bbl, this makes BW Energy well positioned handle the current environment.

BW Energy was established to unlock small to medium sized developments with proven reserves in areas well-known to the company. This is achieved by deployment of existing FPSOs secured by aligning interests with the FPSO owner (BWO) that shares both development risk and the associated upside potential. Notable, this reduces initial capex significantly as a new FPSO alone often requires >USD 1bn of investments. Combined with a phased development approach that reduce risk and upfront capex further, this enables development of reserves typically too small for other oil companies to develop. In line with its strategy, BW Energy's assets are located adjacent to areas where the group has decades of operating experience.

Asset overview



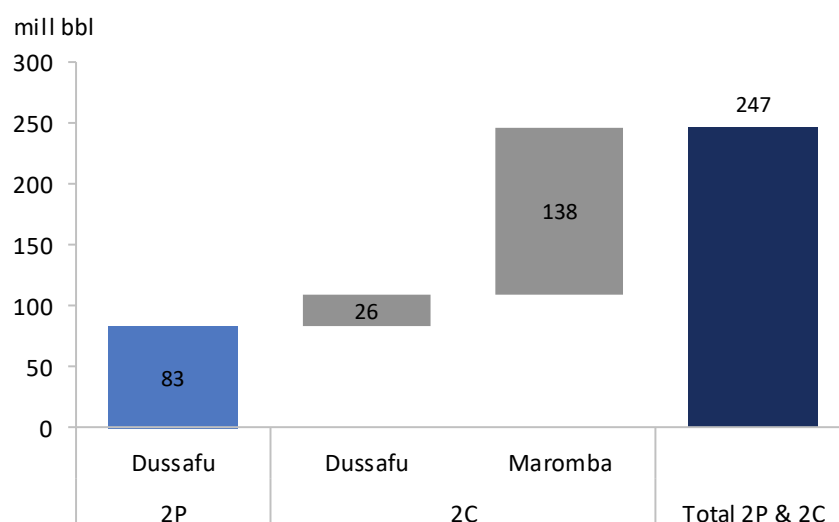
Source: BW Energy

The most important asset is the Dussafu block (73.5% WI) in Gabon, which BW Energy acquired in Apr'17 when the project had no clear path to FID. The concept was redesigned with upfront investments reduced from USD 800m to USD 175m

to enable an initial smaller scope development focused on 15 mill boe of minimum reserves. First oil was achieved ahead of time and on budget in Sep'18, only 18 months the initial investment. Since then, the field has delivered more than USD 200m of operating cash flow while reserves, driven by strong production and exploration success, have increased more than sevenfold to 112 mill boe gross currently.

After majors had halted a large scale development of the Maromba field offshore Brazil for years due to high upfront costs, BW Energy acquired the asset in May'19. The field holds 138 mill boe of 2C resources and 1.7bn boe of unrisked oil in-place. Due to the current market environment, we have for now attached a low value to the Maromba asset (6% of NAV) but highlights that it has a large long-term upside potential. BW Energy also owns the Kudu natural gas discovery offshore Namibia, which due to lack of a commercial development solution at this stage is valued at zero in our valuation.

Net reserves and resources (NSAI)



Source: Pareto Securities Equity Research, BW Energy

BW Energy benefits from BW Offshore (BWO) and BW Group’s extensive worldwide offshore experience. BWO has over the last 35 years delivered 40 FPSO and FSO projects to clients such as Petrobras, Chevron, Equinor, Rostneft and Pemex. This has made the group a specialist in FPSO field developments, life extensions and redeployments of FPSOs. Currently, it owns 11 FPSOs producing about 600,000 boe/day for clients. To ensure transfer of this know-how, most of BW Energy’s management team has been a part of BWO for more than a decade. This includes Carl K. Arnet (CEO) and Knut R. Sæthre (CFO), which both have had similar roles in BW Offshore for the last 13 years. Lin Espey (COO) and Thomas Kolanski (Head of Business Development) also have extensive industry experience from various roles in Shell, ExxonMobil and Vaalco Energy since the 1990s.

Strong sponsor

BW Energy’s main shareholder, BW Group, is a global maritime company engaged in shipping, floating gas infrastructure and offshore oil & gas production. With ownership in six listed companies with a combined gross market cap of USD 2.6bn and two private shipping companies, the group operates more than 400 vessels. This comes in addition to the already mentioned 11 FPSOs that produce above 600,000 boe/day for clients. See illustration on the next page for an overview.

BW Group – A leading maritime group in shipping and energy

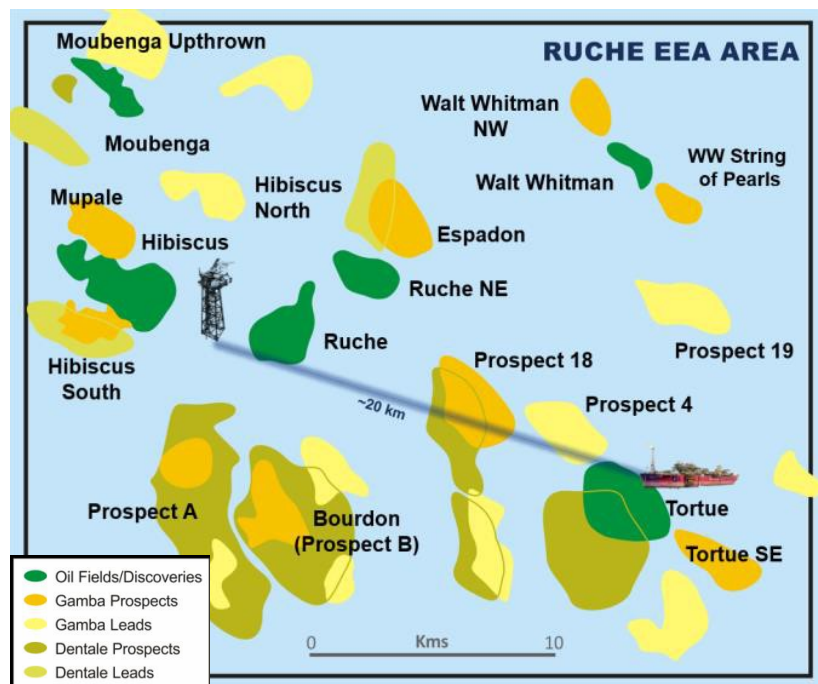


Source: BW Energy

Dussafu – A success story

BW Energy owns (73.5% WI) and operates the Dussafu block, offshore Gabon. Today, the Dussafu area holds six discoveries that amount to 148 mill reserves and resources. Driven by the further development of the producing Tortue field, the block is expected to grow production by 45% to ~17,000 bbl/day in 2020e and to 20,000 bbl/day in 2021. The next big development is the Ruche area with a separate well-head platform to be tied back to the FPSO. In addition, the area holds large upside potential with 13 identified prospects of 281 mill boe of gross unrisked prospective resources. The partners at Dussafu have a 100% success rate on five exploration wells to date and the unrisked volumes provides additional long-term upside.

Overview of the Dussafu block

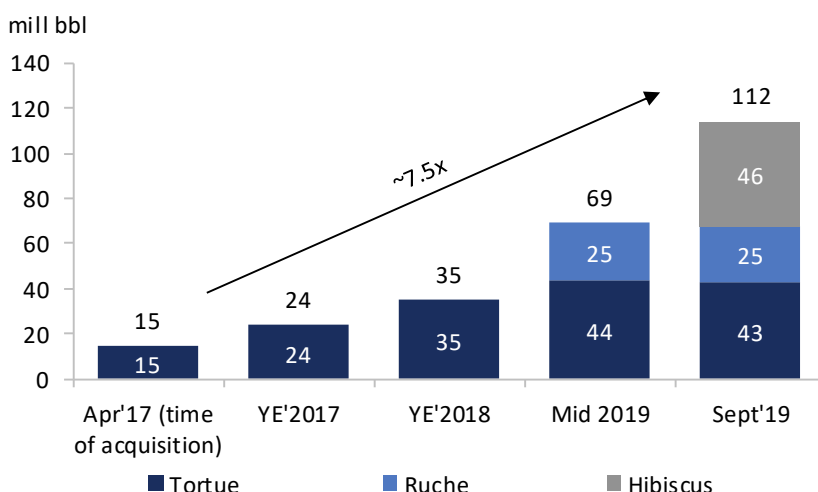


Source: BW Energy

Reserves up 7.5x to 112 mill bbl since acquisition in 2017

During the partners time on the block, they have successfully drilled five consecutive wells, demonstrating both their ability to prove up oil and the block’s significant potential. First out, after BW Energy acquired operatorship, was sanctioning of the Tortue development with 15 mill bbl of minimum reserves. This was followed by first oil in Sep’18 from the field, where BWE and BWO probably delivered the fastest-ever FPSO development that resulted in the project coming in both ahead of time and below budget. Thereafter, the company matured additional locations on this field as well as it successfully drilled the Ruche North East exploration/appraisal, which more than 5x reserves at the block to over 70 mill bbl. Yet, the largest discovery on the block to date is the recent Hibiscus discovery that proved to be 45.5 mill bbl of oil, far above the pre-drill estimates of 12.5 mill bbl. In total, this has grown reserves on the Dussafu block to 112 mill bbl, which is about 7.5x the initial volume two and half years ago. On top of this, the company has 36 mill bbl of 2C resources that it expects to convert to reserves.

Dussafu – Gross certified* 2P reserves



*NSAI certified
 Source: Pareto Securities Equity Research, BW Energy

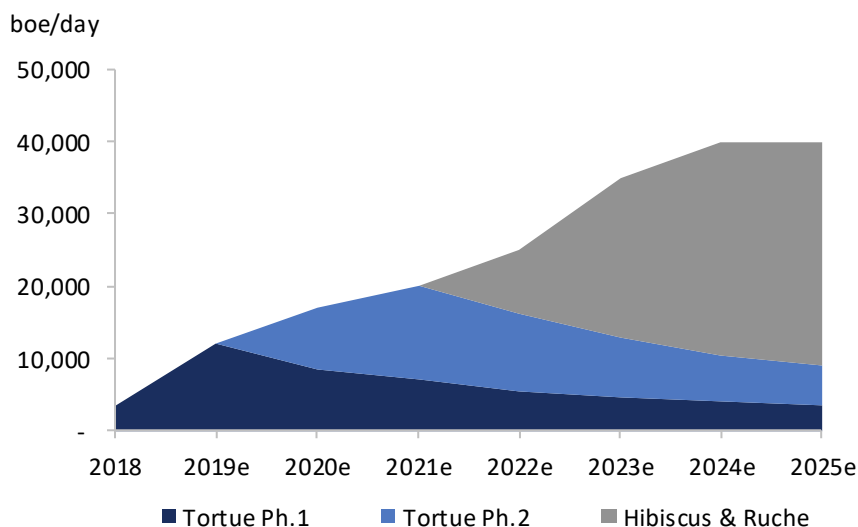
Production up 45% yoy – Highly flexible and profitable growth thereafter

Since production commenced on the block, BW Energy has operated the field with an 98% uptime and increased the production volume to 12,000 bbl/day in 2019. With Phase 2 developing in line with schedule, the field is expected to increase production to 17,000 bbl/day in 2020 (up 45% yoy) by increasing number of wells from two to five wells. Four wells are already producing while the last well is expected to be completed in June. The initial program this year planned for one more well that due to the current environment including additional operational issues related to COVID-19 (movement of personnel) likely will be drilled at a later stage.

The next major phase of growth will come from the Hibiscus and Ruche development. BWE newly announced that it will defer the development in order to conserve liquidity. We currently assume that the development will be delayed by one year and reach first oil by late 2022. In 2023 we estimate that the development will increase the total gross production from the block to 35,000 bbl/day, followed by 40,000 bbl/day the year after. Importantly, the project is expected to deliver robust long-term economics with a break-even price of Brent USD 30/bbl (WACC 10%). Production from this project will flow through a wellhead platform that is tied back to the BW Adolo FPSO with 40,000 bbl/day of

nameplate oil processing capacity (more wells will be drilled over time to offset natural decline and keep the FPSO full).

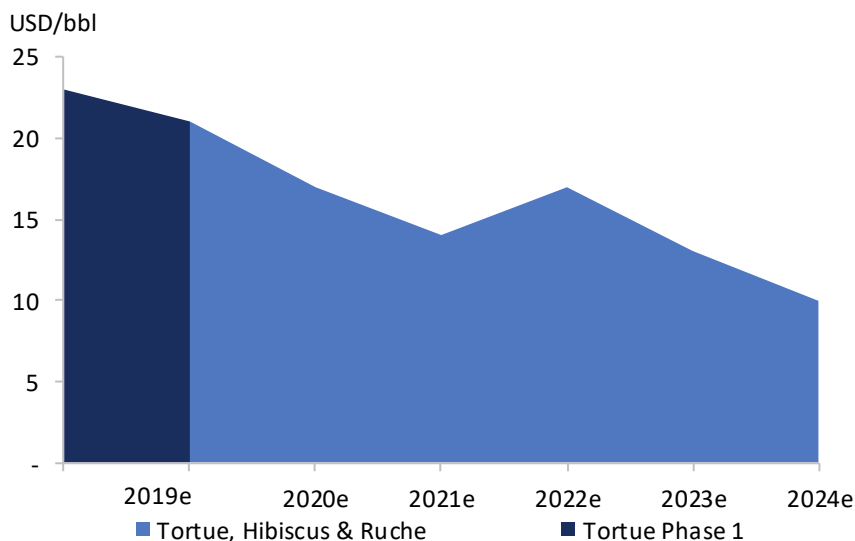
Production outlook



Source: BW Energy

Driven by a large relative component of fixed costs related to the FPSO unit, higher volumes are also expected to reduce opex per bbl produced over the next years as shown in the graph below. In 2020, BW Energy guides opex of USD 15-17/bbl.

Operating cost at Dussafu*



*Includes PSC obligations, FPSO hire and excl. royalties
Source: Pareto Securities Equity Research, BW Energy

Exploration - 100% success rate to date showcases long-term upside potential

While exploration drilling prudently is halted in the current environment, the remaining exploration upside at Dussafu could become highly valuable as we expect oil prices over time to recover to long-term marginal costs. BW Energy has identified another 13 prospects with 281 mill boe of gross unrisked prospective resources on the block. This was last year revised up from 164 mill boe due to the positive read-through impact of the much larger than expected Hibiscus discovery.

Over time, we believe BW Energy will continue to target the lower risk Gamba & Dentale reservoir prospects such as Hibiscus North, Prospect B and Mupale. We highlight that potential exploration is supported by the block's impressive 100% success rate and the development of the adjacent Etame asset. The latter is a block that incorporates similar characteristics as Dussafu and has to date produced 110 mill boe vs. initial expectations of 20-25 mill. BWO has successfully operated an FPSO there for 15 years and many of the technical and management personnel who developed Etame are today part of the Dussafu team.

Dussafu – Identified prospects (gross management estimates)

Prospect	Target reservoir	Pre-drill est. (mill boe)
Hibiscus North	Gamba	28
Prospect B	Gamba & Dentale	50
Mupale	Gamba	40
Walt Whitman NW	Gamba	7
WW 'String of Pearls'	Gamba	16
Prospect 18	Gamba & Dentale	15
Prospect A	Gamba & Dentale	39
Tortue SE	Gamba	17
Hibiscus South	Gamba	14
Espadon	Gamba & Dentale	7
Moubenga Uproven	Gamba	18
Prospect 19	Gamba	17
Prospect 4	Gamba	13
Total	Gamba & Dentale	281

Source: BW Energy

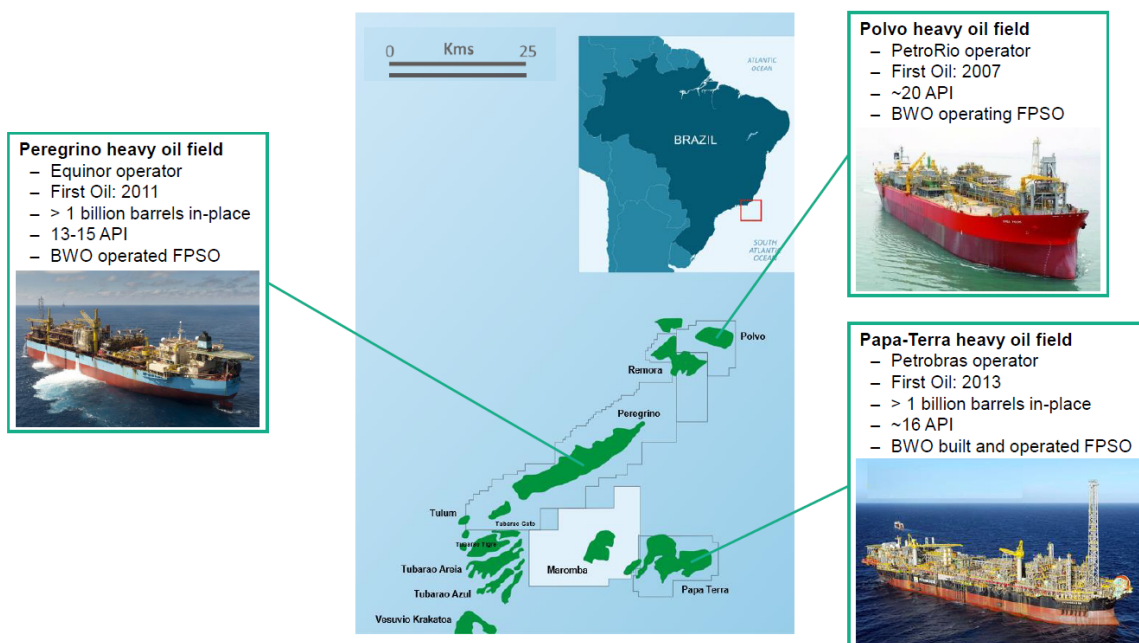
Maromba – Real option on higher oil prices

In Mar'19, BW Energy acquired the Maromba field in the Campos Basin offshore Brazil, which secured the company operatorship and a 95% WI (Magma entitled to 5% upon first oil). The field holds 134 mill boe of 2C and 1.7bn boe of unrisked oil in-place that provides a large upside to the initial planned targeted volume. If developed, BW Energy will pay a total consideration of USD 115m for the asset split between three milestones. USD 30m was paid upon closing of the transaction, while the remaining will be paid at the start of drilling and at first oil or three years after the start of drilling activities, whichever comes first. BW Energy do not have any financial commitments toward the sellers if the company decides to not progress the development, which is dependent on a significant recovery in global oil prices. We therefore do not include Maromba in our base case production and cash flow estimates for BW Energy.

The company submitted the FDP for the asset in late 2019 and continues to work to secure approval for the plan by year-end 2020e. If secured, timing and likelihood of FID is still uncertain given the dependence on higher oil prices. However, based on BW Energy's previously communicated plan we expect first oil to commence about three years after regulatory approval, with initial volumes of ~30,000 bbl/day.

Maromba is located in an area well-known to BWO, which has operated FPSOs in the three adjacent fields Polvo, Peregrino and Papa Terra for years. Together with its already proven development expertise from Dussafu and its ability to utilize an existing lower cost FPSO, its knowledge of the region will likely prove very important in the development of the field. As such, the acquisition of the Maromba field is in line with the company's strategy to acquire proven development concepts from majors in familiar areas to BWO and developing them incrementally in phases using existing FPSOs.

Overview of the Maromba field in the Campos Basin

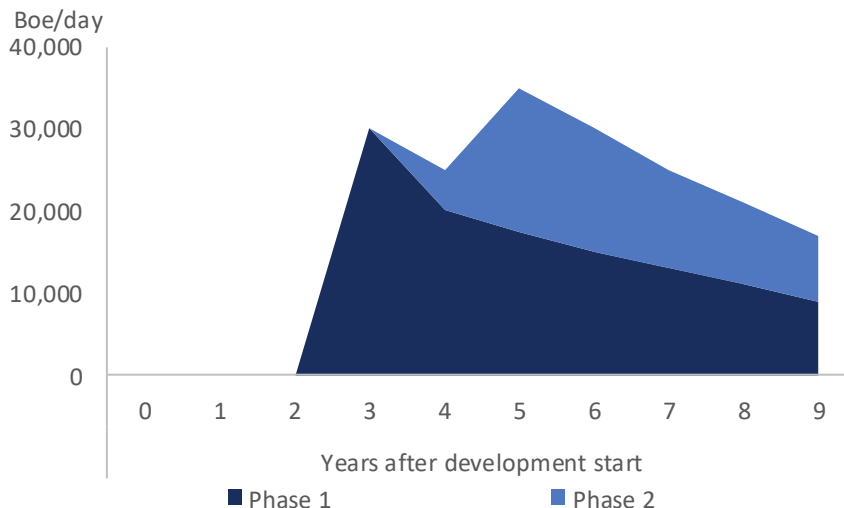


Source: BW Energy

Phase 1 of the project includes three subsea wells tied back to the FPSO. As shown in the graph below, this phase is expected to produce ~30,000 bbl/day of. Including Phase 2, which adds 3-4 wells and 2 water injections, production from the field is expected to reach ~37,000 bbl/day. The total capex is estimated to USD 863m, in which USD 325 stems from Phase 1 and a majority prior to first oil.

Importantly, the total capex program converts to only USD 5.4/bbl. The field is also expected to have a relatively low opex of USD ~15/bbl. In addition, Phase 3 (infill drilling of satellite reservoirs) also has the potential to significantly increase production, but we have currently not included this stage in our valuation due to uncertainty in timing and scope of the development.

Maromba – Potential production profile

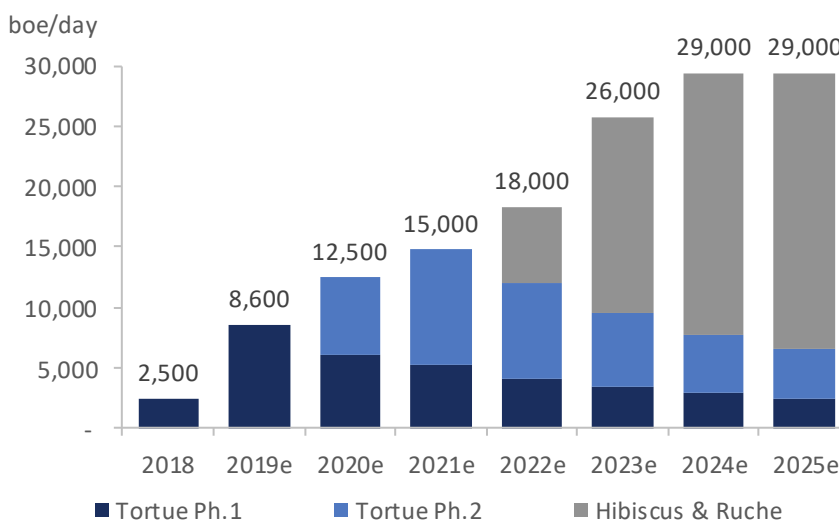


Source: BW Energy, Pareto Securities

Company production

We estimate that BW Energy will produce ~12,500 bbl/day net this year, which is up from 8,600 bbl/day net in 2019e driven by Phase 2 development at Tortue. If the Hibiscus and Ruche development is delayed roughly one year, we project that the company will produce >25,000 bbl/day by 2023, >2x current production. As of now, Maromba is not included in our estimated production profile due to the uncertain timing and likelihood of the project.

Estimated production profile net (2018-25e)



Source: Pareto Securities Equity Research

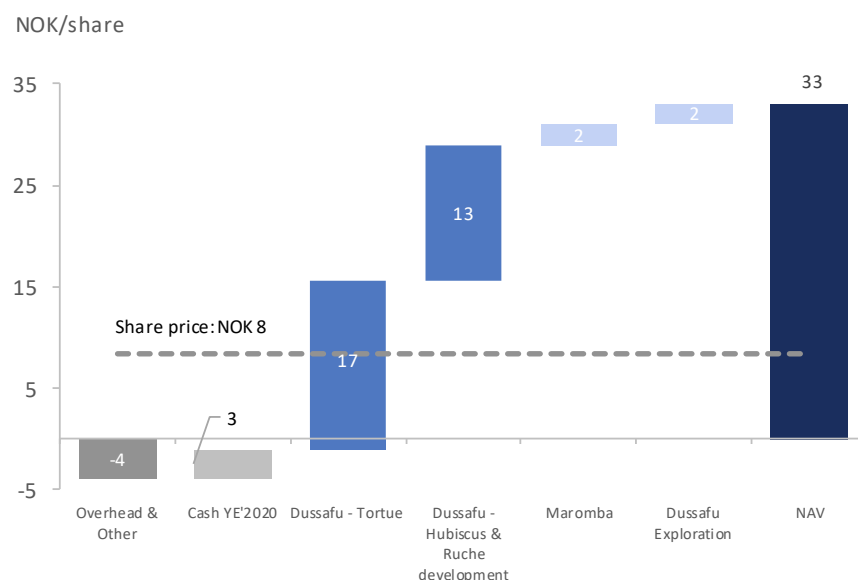
Valuation

We have valued BW Energy using a risked valuation approach applied to the company’s assets. The risked valuation starts with an unrisked valuation, which is subsequently risk-adjusted for commercial and technical uncertainty. The unrisked valuation of the producing assets, developments and main discoveries are based on DCF analysis, while the unrisked value for exploration assets in some cases are based on a USD/bbl multiple multiplied by the predrill size estimate of the respective prospect.

BUY/TP NOK 33 - P/NAV at 0.25x

On a NAV basis, we estimate a risked value of NOK 33/share. The chart below displays an overview of our risked valuation of BW Energy on our new oil price forecast while a more detailed NAV summary table is included at the end of this chapter. The producing Tortue field is valued at NOK 17, while the Hibiscus & Ruche development is valued at NOK 13. The large but uncertain Maromba field is valued at NOK 2 while we have attached NOK 2 to the exploration upside at Dussafu.

Risked NAV



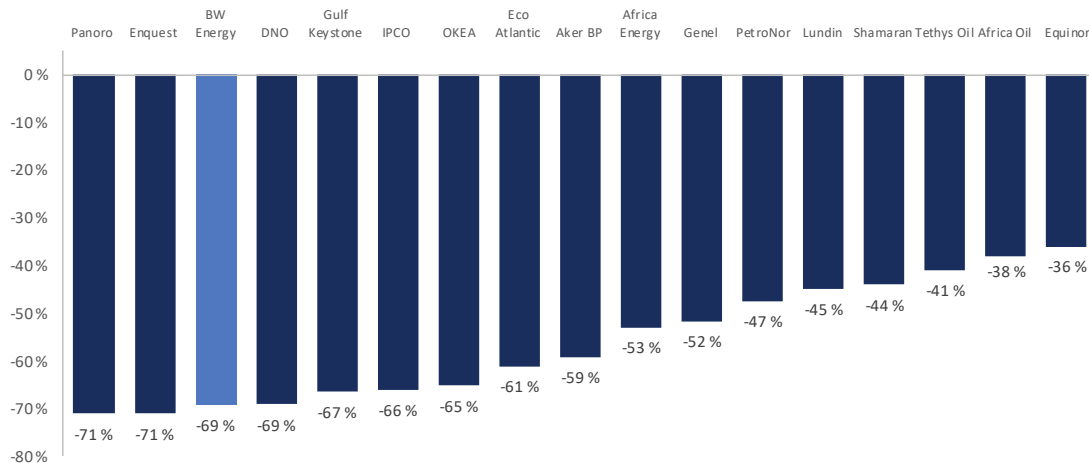
**Based on Pareto Brent oil forecast of USD 32/bbl in 2020, USD 50/bbl in 2021, USD 55/bbl in 2022 and USD 60/bbl thereafter. USD/NOK 10 and WACC 10%.
Source: Pareto Securities Equity Research*

This implies that BW Energy currently trades at low P/NAV multiple of 0.25x, which partially is reflective of our long-term oil price assumption being roughly twice the current spot price. The net value of the already producing field, Tortue, exceeds the share price with ~80%. The upside increases to about 3x the current share price if we include the Hibiscus and Ruche development. The latter is temporary halted but still likely to be highly valuable for the company long-term. BW energy is one of the lowest priced E&P company’s in our coverage universe, which we believe is unwarranted given its healthy balance sheet outlook, relatively low-cost production, flexibility to adjust future investments to commodity prices and a proven track record of value creation. We initiate coverage with a Buy recommendation and TP of NOK 33.

Unwarranted share price development - Current cash position equals MCAP

Following the BW Energy’s listing on Oslo stock Exchange the share price has traded down close to 70%. During the current turmoil, all E&P companies have traded lower. However, BW Energy has underperformed relative to most companies which we believe is unjustified given its robust financial position and flexible spending outlook.

Share price development since the IPO (19.02.2020)

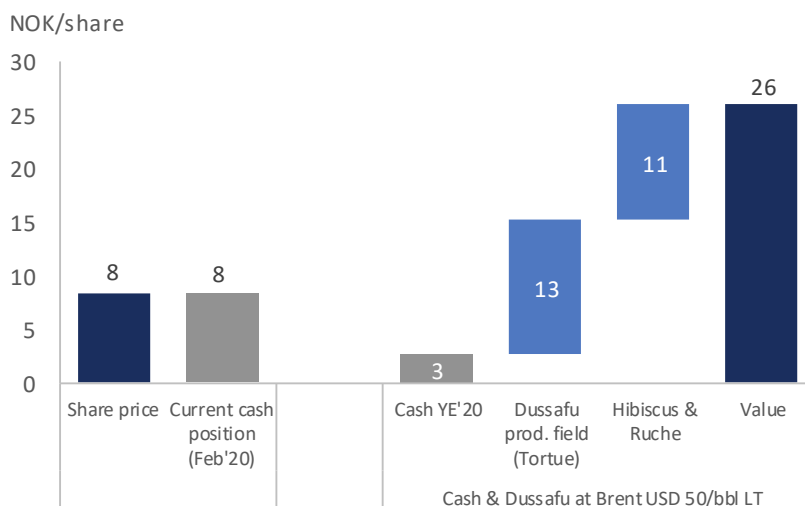


Source: Pareto Securities

Further, it should be noted that the current market cap of USD 185m (NOK 8.4/share) is equivalent to the net cash position of USD 184m as of February 2020. As earlier mentioned, the company has no interest bearing debt. In our opinion, this highlights the current very low implied pricing of the Dussafu asset in BW Energy although it should be noted that parts of the cash balance will be invested at the field this year. On our estimates, Brent would have to stay at USD 35-40/bbl long-term for the NAV to reflect the current share price (see page 14).

If we assume a Brent price of USD 50/bbl from 2021 and onwards, the value of BW Energy’s stake in the producing Dussafu block and its YE’20 cash position equals NOK 26/share. This is approximately 3x the current share price and exclude any value on Maromba or the exploration potential at Dussafu.

Share price, current cash position and Dussafu valued at Brent USD 50/bbl

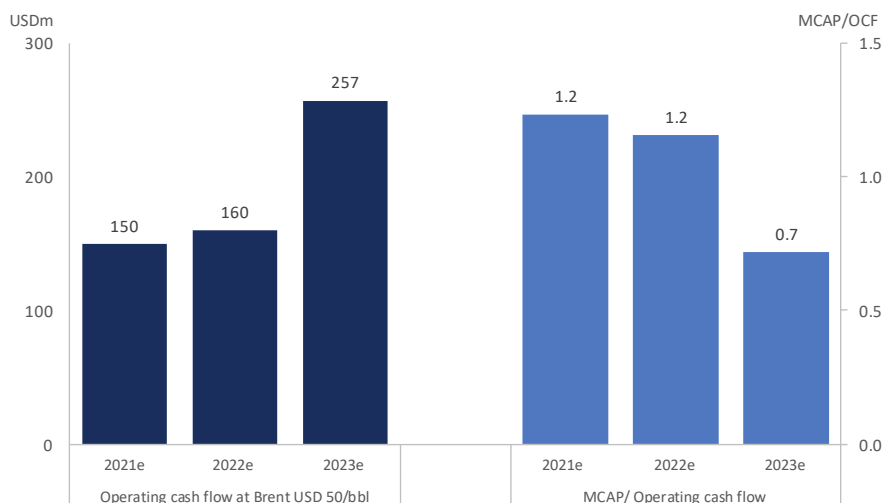


*Based on Brent USD 32/bbl in 2020 and USD 50/bbl thereafter. USD/NOK 10 and WACC 10%.
Source: Pareto Securities Equity Research

Estimated MCAP/OCF of 1.2x in 2021e at Brent USD 50/bbl LT

There is a large upside potential as BW Energy could be transformed into a cash flow and dividend machine if we assume that global oil prices at some stage recovers to Brent USD 50/bbl or higher. Including our projection that Hibiscus and Ruche will get onstream from late 2022, we estimate that the company’s operating cash flow will rapidly increase. At Brent USD 50/bbl, we estimate an MCAP/OCF multiple of approximately 1.2m in 2021 before dropping to below 1x in 2023.

Est. OCF and MCAP/OCF at Brent USD 50/bbl LT

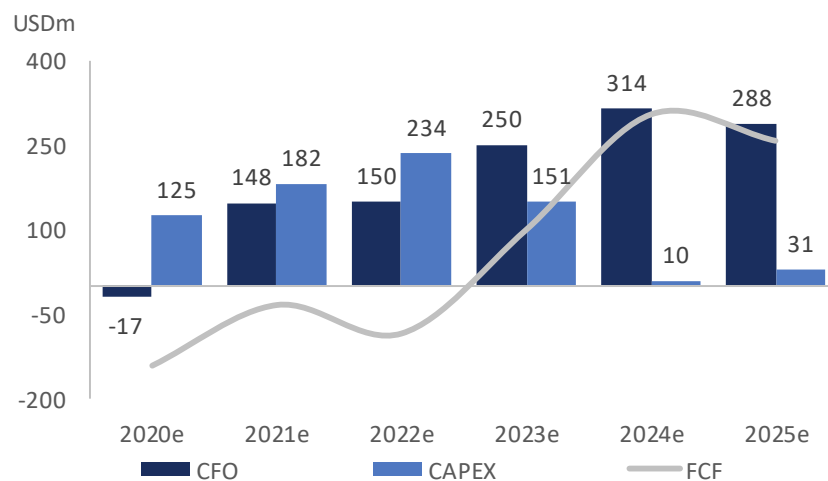


**Based on Brent oil forecast of USD 32/bbl in 2020 and USD 50/bbl thereafter
Pareto Securities Equity Research*

Free cash flow sweet spot from 2023e - Annual FCF at Brent USD 50/bbl > MCAP

If we assume a Brent oil price recovery to USD 50/bbl in 2021 and beyond, we estimate that BW Energy will have a combined negative FCF of USD 120m in 2021-22e as it invests to lift production at Dussafu. This will result in a modest peak net debt position of USD 60m at YE’22. With production ramp-up to 25,000 bbl/day in 2023e, BW Energy is set to generate an average FCF of USD >220m from 2023e to 2025e on Brent USD 50/bbl. This is driven by a rapidly decline in capex and higher production post the Hibiscus & Ruche development.

OCF, capex and FCF 2020-24e at Brent USD 50/bbl LT

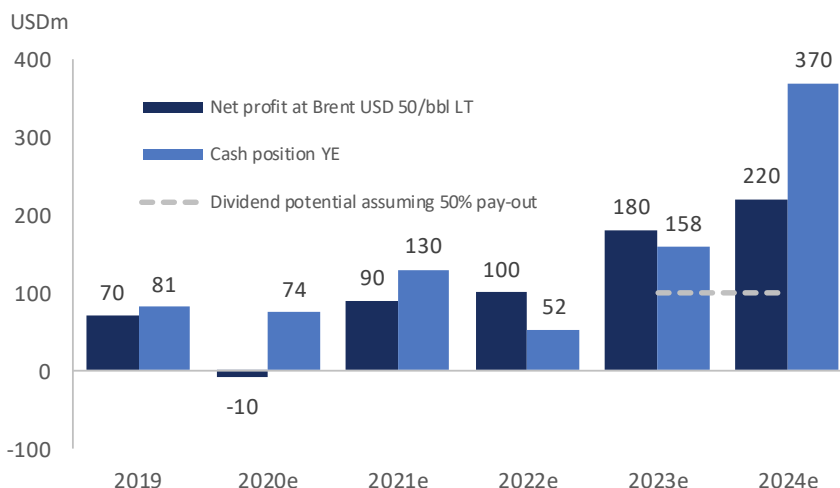


**Based on Brent oil forecast of USD 32/bbl in 2020 and USD 50/bbl thereafter
Source: Pareto Securities Equity Research*

Still potential for dividend and growth

BW Energy stated prior to the downturn that it would like to pay out 50% of net profit from 2022-23e. While this statement now is more uncertain, we project that the company most likely will be able to pay out cash if desirable. At Brent USD 50/bbl, we estimate that this provides room for USD 100m of dividends per year from 2023 as net profit is projected at USD ~200m from this year and forward. Notable, in this scenario we include that BW Energy will draw USD 100m from its credit facility in 2021. At Brent USD 60/bbl, we estimate that BW Energy would be able to meet this outlook without adding debt.

Net profit and cash position at Brent USD 50/bbl LT (without dividends)

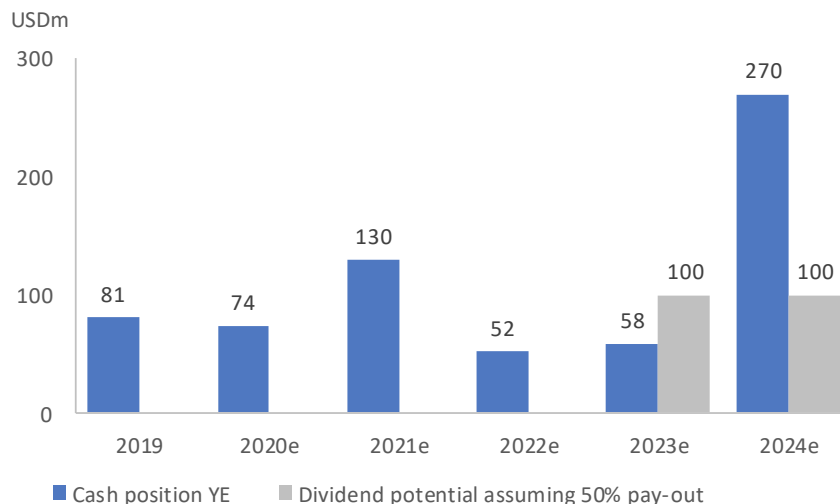


*Based on Brent forecast USD 32/bbl in 2020 and USD 50/bbl thereafter. Includes USD 150m in debt
Source: Pareto Securities Equity Research

Payout ratio of 50% - Annual div. of USD 100m from 2023 at Brent USD 50/bbl

Importantly, BW Energy will with this dividend policy still have flexibility to invest in further growth. As shown on the next page, the cash balance is estimated to exceed USD 250m in 2024e at Brent USD 50/bbl even if we assume USD 100m of annual dividends from 2023e. Consequently, it has potential to target both development projects such as Maromba and/or exploration at Dussafu.

Cash balance and dividend pot. assuming 50% pay out* and Brent USD 50/bbl

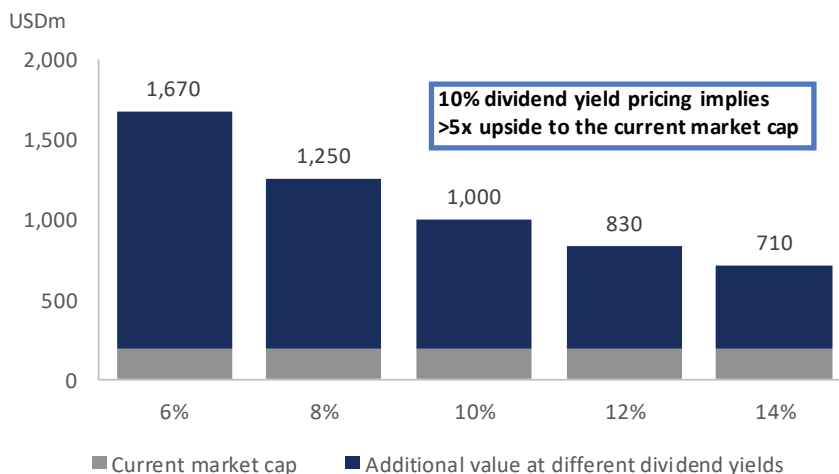


*Based on Brent forecast USD 32/bbl in 2020 and USD 50/bbl thereafter. Includes USD 100m of debt drawn in 2021 on the soon to be secured RBL facility
Source: Pareto Securities

10% dividend yield pricing implies >5x upside in 2022-2023e

The company has previously stated that it will aim to dividend out up to 50% of net profit. If it decides to this at Brent USD 50/bbl, this will equal USD 100m on our estimates from 2023 and beyond. Based on a 10% dividend yield pricing, this will if realized provide 5x upside potential to the current share price.

Dividend yield pricing assuming USD 100m p.a. of distributions

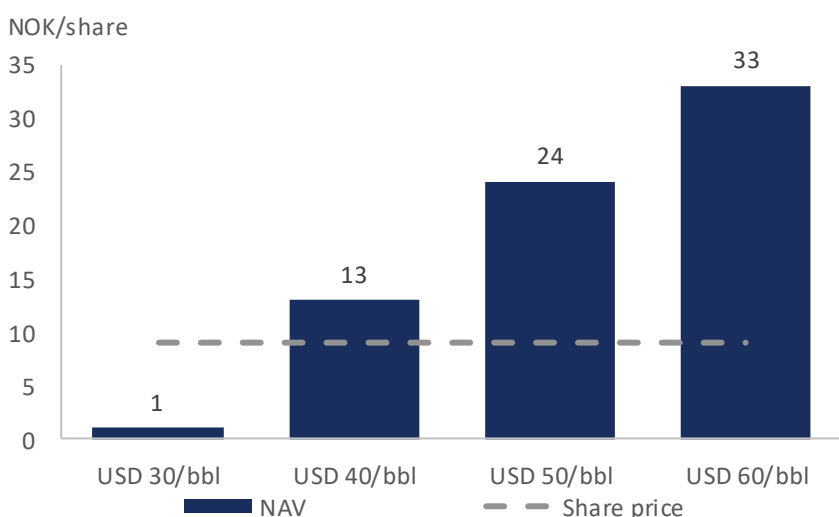


Source: Pareto Securities

NAV sensitives and relative pricing

The chart below displays our NAV of BW Energy at different oil price forecasts from 2021 and onwards (Brent USD 32/bbl in 2020 is kept fixed). We estimate that even in a scenario where Brent would stay at USD 40/bbl long-term, the current share price implies a discount.

NAV at different oil prices

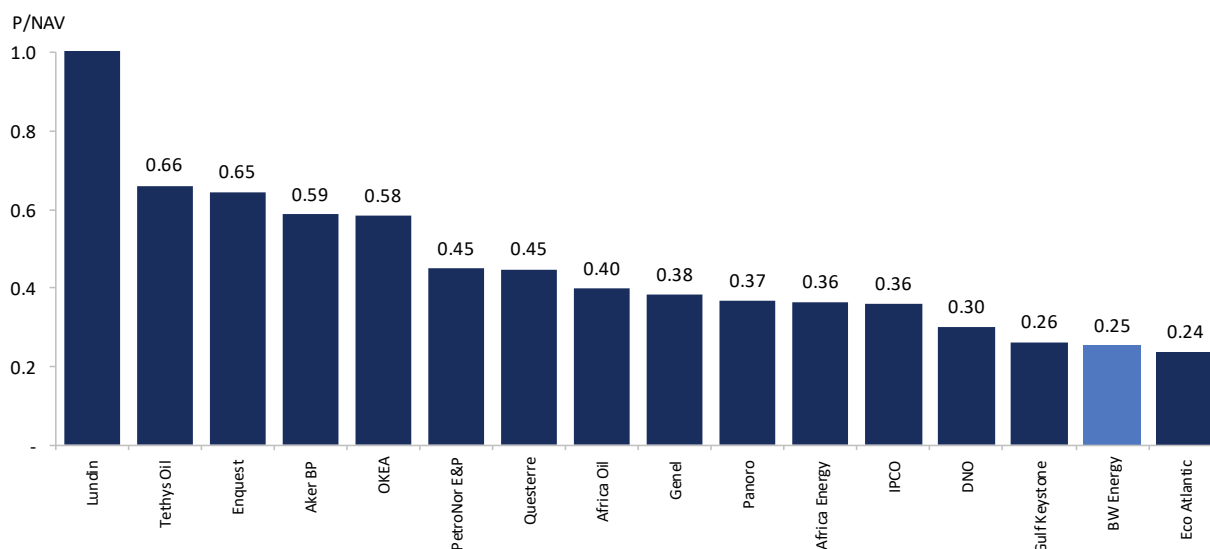


Source: Pareto Securities

The lowest priced oil producing E&P company in our coverage universe

As shown in graph below, BW Energy is the lowest priced oil producing E&P company in our coverage universe. Its P/NAV of 0.25x is well below the pricing of peers with 50-60% upside to the current pricing of companies such as Panoro (Dussafu partner) and Africa Oil (emerging market exposure).

P/NAV of covered E&P companies vs BW Energy post-money price range

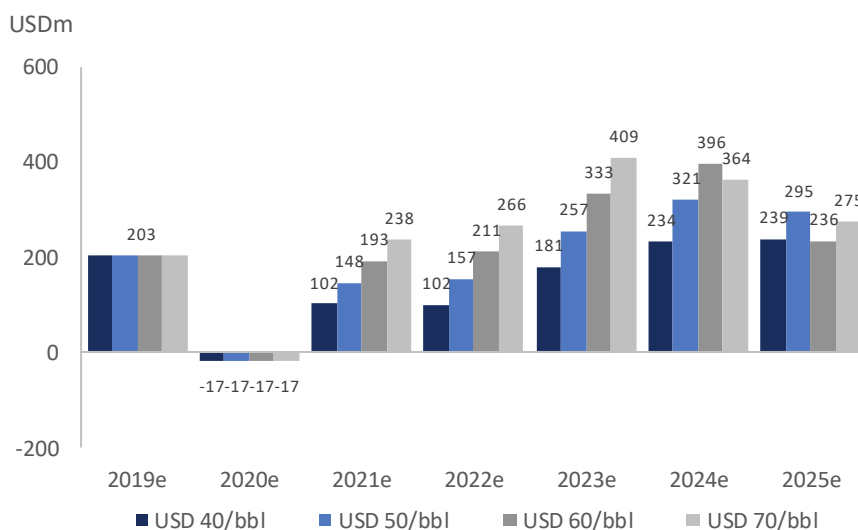


Source: Pareto Securities Equity Research

Oil price sensitivity & key figures

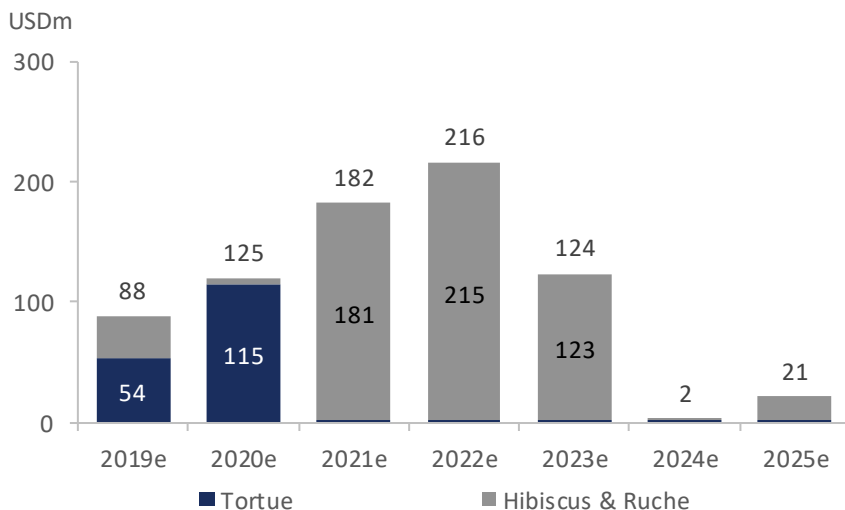
The operating cash flow is also fluctuating with oil prices but is importantly expected to remain significantly positive also in lower oil price scenarios driven by an opex of USD <17/bbl in 2020e and onwards. Importantly, all our estimates exclude Maromba due to the uncertain likelihood and timing of the project. In the charts below, we assume USD 100m of annual dividends from 2023 and that BWE will draw USD 100m of debt from its soon to be secured RBL facility in 2021. For 2020 our Brent forecast of USD 32/bbl is held fixed.

Operating cash flow at diff. Brent oil prices 2021-25e



Source: Pareto Securities Equity Research

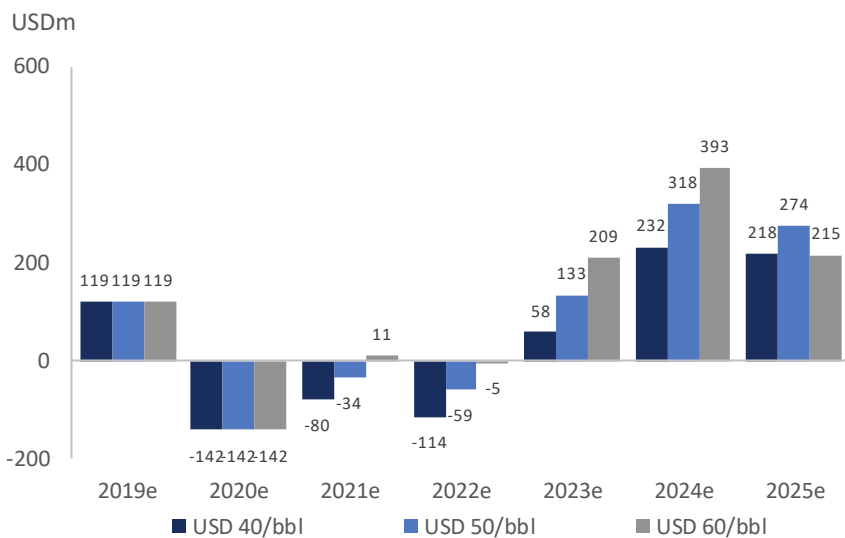
Capex program



Source: Pareto Securities Equity Research

The projections below include the Hibiscus and Ruche development, but excludes investments in Maromba. Would the oil price continue to trade at low levels, BW Energy has the flexibility to defer the Hibiscus and Ruche development further. The FCF break-even would then be around Brent USD 25/bbl from 2021 and onwards. For 2020 our Brent forecast of USD 32/bbl is held fixed.

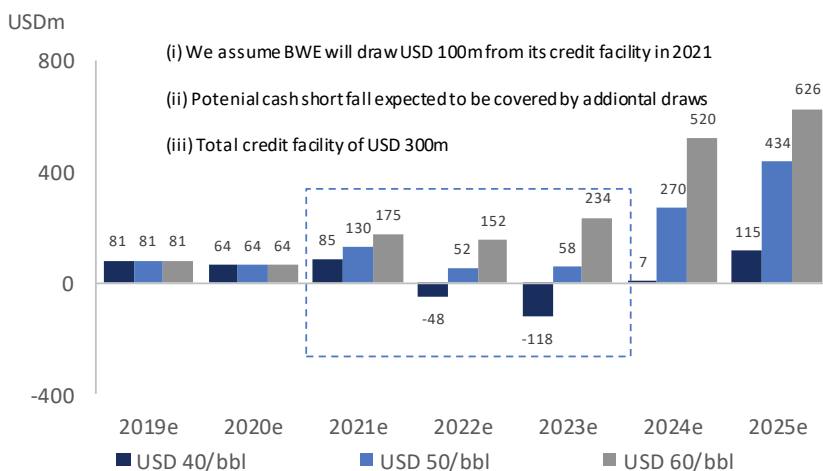
Annual FCF at diff. Brent oil prices 2021-25e



Source: Pareto Securities Equity Research

In addition to the assumptions above, the cash balance below includes USD 100m in debt from 2021.

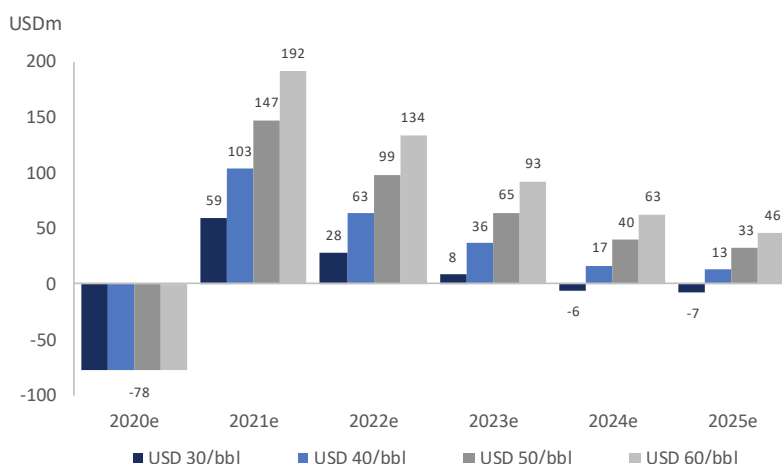
Cash balance at diff. Brent oil prices 2019-25e



Source: Pareto Securities Equity Research

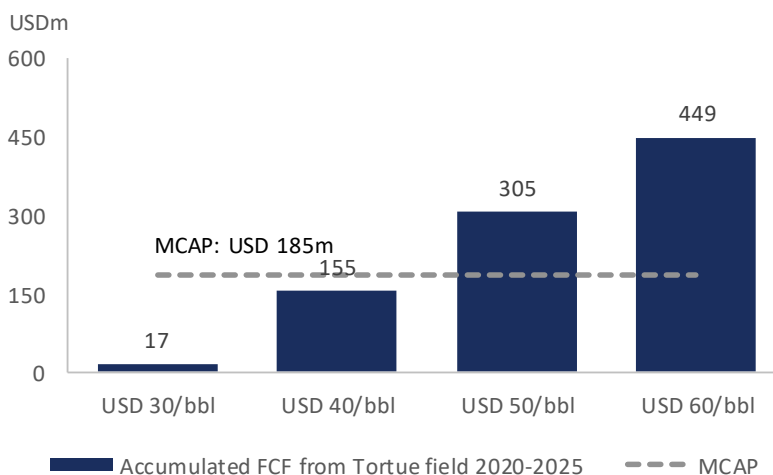
Outlook excluding development of Hibiscus and Ruche

FCF from Tortue at different oil prices



Source: Pareto Securities Equity Research

Accumulated Tortue FCF 2020-25e at different oil prices



Source: Pareto Securities Equity Research

Financing outlook / Key figures

Below we illustrate our key figures in different oil price scenarios. Importantly, all our estimates below exclude Maromba, include USD 100m in annual dividends from 2023 and that BWE will add USD 100m of debt in 2021. For 2020 our Brent forecast of USD 32/bbl is held fixed. In a Brent USD 40/bbl long term scenario, we include in the estimates below that BWE will increase leverage to USD 200m to maintain a positive cash balance. However, the more likely scenario in this case would be a further postponement of the Hibiscus & Ruche development. This would if realized lower cash flow break-even to USD 25/bbl and as such enable BW Energy to maintain a solid balance sheet.

Key figures at Brent USD 60/bbl long-term

BW Energy		2018	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Revenues	USDm	39	282	117	280	338	468	521	345
Operating costs	"	(18)	(91)	(91)	(90)	(124)	(128)	(132)	(113)
EBITDA	"	21	192	27	190	214	340	390	232
Depreciation	"	(8)	(75)	(36)	(46)	(55)	(77)	(85)	(57)
EBIT	"	13	117	(9)	144	159	263	304	175
Net Financials	"	2	(6)	-	(7)	(7)	(7)	(7)	(7)
Taxes	"	(12)	(39)	-	-	-	-	-	-
Net profit	"	4	73	(9)	137	152	256	297	168
CASH FLOW									
Operating cash flow	USDm	(97)	203	(17)	193	211	333	396	236
Net cash investing activities	"	(129)	(106)	(125)	(182)	(234)	(151)	(10)	(31)
Net cash financing activities	"	-	(25)	125	100	-	(100)	(100)	(100)
Cash at Year End	"	8	81	64	175	152	234	520	626
Debt at Year End	"	-	-	-	100	100	100	100	100
FCF	"	(226)	119	(142)	11	(5)	209	393	215
KEY FIGURES & ASSUMPTIONS									
Oil Price (Brent)	USD/bbl	72	64	32	60	60	60	60	60
Production (WI)									
Dussafu - Phase 1 & 2	boe/day	2,500	8,600	12,500	14,800	12,000	9,500	7,700	6,600
Dussafu - Hibiscus & Ruche	"	-	-	-	400	6,400	16,200	21,700	22,800
Maromba - Phase 1 & 2	"	-	-	-	-	-	-	-	-
Total	"	2,500	8,600	12,500	15,200	18,400	25,700	29,400	29,400
Production (entitlement basis)									
Dussafu - Phase 1 & 2	boe/day	1,967	6,718	9,744	12,183	9,794	7,779	6,326	5,202
Dussafu - Hibiscus & Ruche	"	-	-	-	375	5,376	13,226	17,090	10,306
Maromba - Phase 1 & 2	"	-	-	-	-	-	-	-	-
Total	"	1,967	6,718	9,744	12,558	15,170	21,005	23,416	15,508
P&L per barrel (entitlement basis)									
Revenues	USD/bbl	46	65	33	61	61	61	61	61
Royalty	"	(3)	-	-	-	-	-	-	-
Opex	"	(20)	(32)	(26)	(20)	(22)	(17)	(15)	(20)
Depreciation	"	(9)	(9)	(10)	(10)	(10)	(10)	(10)	(10)
EBIT	"	15	25	(3)	31	29	34	36	31

Source: Pareto Securities Equity Research

Key figures at Brent USD 50/bbl going forward

BW Energy		2018	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Revenues	USDm	39	282	117	234	282	391	447	413
Operating costs	"	(18)	(91)	(91)	(89)	(123)	(127)	(131)	(114)
EBITDA	"	21	192	27	145	159	264	316	299
Depreciation	"	(8)	(75)	(36)	(46)	(55)	(77)	(88)	(81)
EBIT	"	13	117	(9)	99	104	187	228	218
Net Financials	"	2	(6)	-	(7)	(7)	(7)	(7)	(7)
Taxes	"	(12)	(39)	-	-	-	-	-	-
Net profit	"	4	73	(9)	92	97	180	221	211
CASH FLOW									
Operating cash flow	USDm	(97)	203	(17)	148	157	257	321	295
Net cash investing activities	"	(129)	(106)	(125)	(182)	(234)	(151)	(10)	(31)
Net cash financing activities	"	-	(25)	125	100	-	(100)	(100)	(100)
Cash at Year End	"	8	81	64	130	52	58	270	434
Debt at Year End	"	-	-	-	100	100	100	100	100
FCF	"	(226)	119	(142)	(34)	(59)	133	318	274
KEY FIGURES & ASSUMPTIONS									
Oil Price (Brent)	USD/bbl	72	64	32	50	50	50	50	50
Production (WI)									
Dussafu - Phase 1 & 2	boe/day	2,500	8,600	12,500	14,800	12,000	9,500	7,700	6,600
Dussafu - Hibiscus & Ruche	"	-	-	-	400	6,400	16,200	21,700	22,800
Maromba - Phase 1 & 2	"	-	-	-	-	-	-	-	-
Total	"	2,500	8,600	12,500	15,200	18,400	25,700	29,400	29,400
Production (entitlement basis)									
Dussafu - Phase 1 & 2	boe/day	1,967	6,718	9,744	12,185	9,794	7,779	6,326	5,508
Dussafu - Hibiscus & Ruche	"	-	-	-	375	5,379	13,230	17,667	16,695
Maromba - Phase 1 & 2	"	-	-	-	-	-	-	-	-
Total	"	1,967	6,718	9,744	12,560	15,173	21,009	23,993	22,204
P&L per barrel (entitlement basis)									
Revenues	USD/bbl	46	65	33	51	51	51	51	51
Royalty	"	(3)	-	-	-	-	-	-	-
Opex	"	(20)	(32)	(26)	(19)	(22)	(17)	(15)	(14)
Depreciation	"	(9)	(9)	(10)	(10)	(10)	(10)	(10)	(10)
EBIT	"	15	25	(3)	22	19	24	26	27

Source: Pareto Securities Equity Research

Key figures at Brent USD 40/bbl long-term

BW Energy		2018	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Revenues	USDm	39	282	117	188	227	314	359	359
Operating costs	"	(18)	(91)	(91)	(89)	(122)	(127)	(130)	(113)
EBITDA	"	21	192	27	99	105	188	229	246
Depreciation	"	(8)	(75)	(36)	(46)	(55)	(77)	(88)	(88)
EBIT	"	13	117	(9)	53	49	111	141	158
Net Financials	"	2	(6)	-	(7)	(14)	(14)	(14)	(14)
Taxes	"	(12)	(39)	-	-	-	-	-	-
Net profit	"	4	73	(9)	46	35	97	127	144
CASH FLOW									
Operating cash flow	USDm	(97)	203	(17)	102	95	174	227	232
Net cash investing activities	"	(129)	(106)	(125)	(182)	(234)	(151)	(10)	(31)
Net cash financing activities	"	-	(25)	125	100	100	(100)	(100)	(100)
Cash at Year End	"	8	81	64	85	45	(32)	86	187
Debt at Year End	"	-	-	-	100	200	200	200	200
FCF	"	(226)	119	(142)	(80)	(121)	51	225	211
KEY FIGURES & ASSUMPTIONS									
Oil Price (Brent)	USD/bbl	72	64	32	40	40	40	40	40
Production (WI)									
Dussafu - Phase 1 & 2	boe/day	2,500	8,600	12,500	14,800	12,000	9,500	7,700	6,600
Dussafu - Hibiscus & Ruche	"	-	-	-	400	6,400	16,200	21,700	22,800
Maromba - Phase 1 & 2	"	-	-	-	-	-	-	-	-
Total	"	2,500	8,600	12,500	15,200	18,400	25,700	29,400	29,400
Production (entitlement basis)									
Dussafu - Phase 1 & 2	boe/day	1,967	6,718	9,744	12,188	9,794	7,779	6,326	5,508
Dussafu - Hibiscus & Ruche	"	-	-	-	375	5,383	13,237	17,674	18,492
Maromba - Phase 1 & 2	"	-	-	-	-	-	-	-	-
Total	"	1,967	6,718	9,744	12,564	15,177	21,016	24,000	24,000
P&L per barrel (entitlement basis)									
Revenues	USD/bbl	46	65	33	41	41	41	41	41
Royalty	"	(3)	-	-	-	-	-	-	-
Opex	"	(20)	(32)	(26)	(19)	(22)	(17)	(15)	(13)
Depreciation	"	(9)	(9)	(10)	(10)	(10)	(10)	(10)	(10)
EBIT	"	15	25	(3)	12	9	14	16	18

Source: Pareto Securities Equity Research

Risked valuation details

Detailed risked NAV

PRODUCING ASSETS	Country	mmboe	Unrisked Value		Risking Probability	Risked Value		
			USDm	USD/boe		USDm	USD/boe	NOK/Share
Dussafu - Tortue (Phase 1)	Gabon	14	43	3.0	100%	43	3.0	1.8
Dussafu - Tortue (Phase 2 - infill drilling)	"	26	389	14.8	90%	350	13.3	14.9
TOTAL PRODUCING		41	432	10.6		393	9.7	16.8
DISCOVERIES								
Commercial								
Dussafu - Hibiscus / Ruche & Ruche NE	Gabon	51	443	8.7	70%	310	6.1	13.2
Maromba - Phase 1 & 2 development	Brazil	95	349	3.7	15%	52	0.6	2.2
Walt Whitman	Gabon	6	44	8.0	10%	4	0.8	0.2
Moubenga	"	5	38	8.0	10%	4	0.8	0.2
Total commercial discoveries		156	874	5.6	42%	371	2.4	15.8
Uncertain commerciality								
Maromba - Upside Carbonate reservoirs	Brazil	242	1,211	5.0	-	-	-	-
Total uncertain discoveries		242	1,211	5.0	-	-	-	-
TOTAL DISCOVERIES		398	2,085	208.5	18%	371	0.9	15.8
EXPLORATION								
Dussafu - Hibiscus South	Gabon	10	72	7.0	15%	11	1.1	0.5
Dussafu - Hibiscus North	"	21	144	7.0	15%	22	1.1	0.9
Dussafu - Espadon (Ruche Updip)	"	5	36	7.0	15%	5	1.1	0.2
Dussafu - Walt Whitman NW	"	5	36	7.0	-	-	-	-
Dussafu - Tortue SE	"	12	87	7.0	-	-	-	-
Dussafu - Walt Whitman 'String of Pearls'	"	12	82	7.0	-	-	-	-
Dussafu - Mupale	"	29	206	7.0	-	-	-	-
Dussafu - Moubenga Upthrown	"	13	93	7.0	-	-	-	-
Dussafu - Prospect 19	"	12	87	7.0	-	-	-	-
Dussafu - Prospect 4	"	10	67	7.0	-	-	-	-
Dussafu - Prospect A	"	29	258	9.0	-	-	-	-
Dussafu - Prospect B	"	37	331	9.0	-	-	-	-
Dussafu - Prospect 18	"	11	99	9.0	-	-	-	-
TOTAL EXPLORATION		207	1,599	7.7	2%	38	0.2	1.6
OTHER ASSETS								
Cash YE'2020e			64			64		2.7
Dussafu - Earn out			(49)			(49)		(2.1)
Overhead & Other			(42)			(42)		(1.8)
Debt YE'2020e			-			-		-
TOTAL OTHER ASSETS			(27)			(27)		(1.2)
NET ASSET VALUE			4,088			774		33.0
					CoreNAV	737		31.4

*Based on Pareto Brent oil forecast of USD 32/bbl in 2020, USD 50/bbl in 2021, USD 55/bbl in 2022 and USD 60/bbl thereafter. USDNOK 10 and WACC 10%.

Source: Pareto Securities Equity Research

Risk factors

BW Energy is exposed to several risk factors in its business operations. We do not attempt to cover all potential sources of risk, but will discuss some of the risk factors which we considered to be among the most significant:

- ▶ Geological risk
- ▶ Oil and gas price risk
- ▶ Financing risk
- ▶ Financial market risk
- ▶ Majority shareholder risk
- ▶ Environmental risk

Geological risk

BW Energy's operations are within production, development and exploration of oil and gas resources. The process of estimating hydrocarbon quantities is complex, and the level of success is dependent on BW Energy's equipment, staff and its ability to interpret the data obtained. There is a high level of uncertainty related to such estimates, and there is therefore a risk that reserve or resource estimates may be revised down compared to early estimates as additional data becomes available. This could reduce the profitability and commerciality of a potential discovery. Further, there is no certainty that exploration efforts will lead to discoveries. Normally, individual exploration prospects have a higher probability of being unsuccessful than successful. Further, if discoveries are made, there is a risk that these may be too small to hold commercial potential.

Oil and gas price risk

BW Energy's business is highly dependent on the prices of oil and gas. These can be volatile, and it is nearly impossible to predict future price levels. If prices drop substantially, potential future discoveries may become unprofitable, depending on the level of costs related to the development and production of the potential discovery. Among the several factors that may affect oil and gas prices are global economic growth, political conditions, especially in the Middle-East and Africa, the ability of OPEC+ to influence production levels and prices, the level of global oil and gas exploration, government regulations, weather conditions and speculative activities. These are all variables beyond the company's control, and therefore impose a high level of business risk, as some projects or producing fields may become unprofitable.

Development risk

BW Energy has exposure to development projects. These projects contains many types of risk including potential delays, cost overruns and/or disappointing production once completed. The developments can also be impacted by external factors outside of BW Energy's control. All these potential risks may have an adverse impact on BW Energy's financial performance and value.

Financing risk

While we believe BW Energy to be in a sound financial position, the business of oil and natural gas often requires significant financing. For instance, commitments to future development projects or lower than expected production from its existing fields may trigger the need for additional external capital. There is no certainty that the capital can be secured through equity issues, additional debt or partnerships with other companies. Further, it should be noted that even in the case of successfully securing additional capital this could become have significant dilutive effects for current shareholder.

Financial market risk

The oil and gas industry is highly exposed to the financial markets, through volatility in security markets, access to capital and liquidity constraints. In

addition, the financial markets contribute to determining general economic growth, as they are highly influential on the global economy. BW Energy is exposed to financial market risk, as oil and gas prices fluctuate based on developments in international security markets, and the demand of oil and gas is highly correlated with economic growth. Furthermore, disruptions in the financial markets may affect the financial condition of BW Energy, as the company may be constrained from obtaining proper equity and debt funding. This may constrain the company from meeting its spending commitments and from pursuing attractive investment opportunities.

Country risk

BW Energy operates in Gabon, which is considered among the more stable African countries – though its degree of democracy is disputed. As such, there's potential for political uncertainty. However, the upstream oil industry accounts for 80% of the country's exports, 50% of its GDP and 60% of the government's budget. In light of that, it's unlikely that any political turmoil would heavily impact offshore oil production. While Brazil is seen as a stable country with predictable fiscal terms for oil and natural gas companies, this could change in the future. As such, BW Energy is subject to political and economic uncertainties that may have a material adverse effect on the company.

Majority shareholder risk

BW Offshore owns 39% and the BW Group owns 35% of the outstanding shares in BW Energy, respectively. As major shareholders, these companies will have the ability to significantly influence the outcome of matters submitted for vote by the company's shareholders. The commercial goals and interests of the BW Group may not always be aligned with those of the other shareholders.

Environmental risk

Many of the activities and operations of the company are environmentally sensitive and cannot be carried out without prior approval from authorities and requires the company to be in compliance with all relevant regulations. The company may be liable for environmental rehabilitation, damage control and losses due to risks inherent in its activities, such as accidental spills, leakages or other unforeseen circumstances. If environmental laws are breached these could result in substantial fines and/or closure of the company's operations. BW Energy's license to operate in its respective countries among others contain obligations on the company to provide effective and safe system for disposal of water and waste oil, oil base mud and cuttings, to control the flow and prevent the escape of avoidable waste, to prevent damage to lands, marine life and fishing activities. There is also a risk that the environmental laws and regulations may become more onerous, increasing the company's operating costs.

PROFIT & LOSS (fiscal year) (USDm)	2016	2017	2018	2019	2020e	2021e	2022e	2023e
Revenues	-	-	39	282	117	234	310	468
EBITDA	-	-	21	192	27	145	187	340
Depreciation & amortisation	-	-	(8)	(75)	(36)	(46)	(55)	(77)
EBIT	-	-	13	117	(9)	99	131	263
Net interest	-	-	-	1	-	(7)	(7)	(7)
Other financial items	-	-	2	(7)	-	-	-	-
Profit before taxes	-	-	16	111	(9)	92	124	256
Taxes	-	-	(12)	(39)	-	-	-	-
Minority interest	-	-	-	-	-	-	-	-
Net profit	-	-	4	73	(9)	92	124	256
EPS reported			0.02	0.31	(0.04)	0.39	0.53	1.09
EPS adjusted			0.01	0.33	(0.04)	0.39	0.53	1.09
DPS	-	-	-	-	-	-	-	-
BALANCE SHEET (USDm)	2016	2017	2018	2019	2020e	2021e	2022e	2023e
Tangible non current assets	-	-	226	550	639	775	954	1,028
Other non-current assets	-	-	-	-	-	-	-	-
Other current assets	-	-	106	107	110	120	143	194
Cash & equivalents	-	-	8	81	64	130	75	153
Total assets	-	-	341	738	813	1,025	1,173	1,376
Total equity	-	-	230	363	479	571	695	951
Interest-bearing non-current debt	-	-	-	-	-	100	100	100
Interest-bearing current debt	-	-	-	-	-	-	-	-
Other Debt	-	-	-	375	334	354	377	324
Total liabilities & equity	-	-	341	738	813	1,025	1,173	1,376
CASH FLOW (USDm)	2016	2017	2018	2019	2020e	2021e	2022e	2023e
Cash earnings	-	-	9	145	27	138	180	333
Change in working capital	-	-	(106)	58	(44)	10	(0)	(4)
Cash flow from investments	-	-	(129)	(106)	(125)	(182)	(234)	(151)
Cash flow from financing	-	-	-	(25)	125	100	-	(100)
Net cash flow	-	-	(226)	73	(17)	66	(55)	78
CAPITALIZATION & VALUATION (USDm)	2016	2017	2018	2019	2020e	2021e	2022e	2023e
Share price (USD end)					0.80	0.80	0.80	0.80
Number of shares end period	-	-	234	234	234	234	234	234
Net interest bearing debt	-	-	(8)	(81)	(64)	(30)	25	(53)
Enterprise value					123	158	212	135
EV/Sales					1.1	0.7	0.7	0.3
EV/EBITDA					4.6	1.1	1.1	0.4
EV/EBIT					-	1.6	1.6	0.5
P/E reported					-	2.0	1.5	0.7
P/E adjusted					-	2.0	1.5	0.7
P/B					0.4	0.3	0.3	0.2
FINANCIAL ANALYSIS & CREDIT METRICS	2016	2017	2018	2019	2020e	2021e	2022e	2023e
ROE adjusted (%)	-	-	2.2	26.2	-	17.5	19.7	31.1
Dividend yield (%)	-	-	-	-	-	-	-	-
EBITDA margin (%)	-	-	54.3	67.9	22.7	61.9	60.3	72.6
EBIT margin (%)	-	-	34.2	41.5	-	42.3	42.4	56.2
NIBD/EBITDA	-	-	(0.39)	(0.42)	(2.41)	(0.21)	0.13	(0.16)
EBITDA/Net interest	-	-	-	-	-	20.67	26.69	48.50

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	"Sell"	Pareto Securities Research expects this financial instrument's total return to be negative by more than 10% over the next 12 months

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Appendix A

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

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

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,010,630	9.63 %	SpareBank 1Østfold Akersl	1,140,010	9.20 %
Pareto Bank ASA	14,902,985	2134 %	Sparebanken Vest	6,111,796	5.69 %

Pareto Securities AS or its affiliates own as determined in accordance with Section 13(d) of the US Exchange Act, 1 % or more of the equity securities of:

Companies	No. of shares	Holdings in %	Companies	No. of shares	Holdings in %
Helgeland Sparebank	2,010,630	9.63 %	SpareBank 1SMN	1,885,567	145 %
Pareto Bank ASA	14,902,985	2134 %	SpareBank 1Østfold Akersl	1,140,010	9.20 %
Selvaag Bolig ASA	2,171,147	2.32 %	Sparebanken M øre	305,239	3.09 %
SpareBank 1BV	1,655,920	2.63 %	Sparebanken Sør	433,149	2.77 %
SpareBank 1Nord-Norge	3,246,880	3.23 %	Sparebanken Vest	6,111,796	5.69 %

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	18,535	Helgeland Sparebank	0	4,127	Schibsted ASA B Aksjer	0	597
Aker	0	791	Ice Group	0	96,891	Seadrill	0	8,689
Aker BP	0	14,269	Jæren Sparebank	0	500	Selvaag Bolig	0	2,000
American Shipping Compar	0	3,500	Komplett Bank	0	104,079	SpareBank 1BV	0	22,700
Atlantic Sapphire	0	1,105	Kongsberg Gruppen	0	34,118	SpareBank 1Nord-Norge	0	27,325
Avance Gas	0	4,580	KWS	75	75	SpareBank 1Ringerike Had	0	500
Axactor	0	8,709	Lerøy Seafood	0	2,050	SpareBank 1SMN	0	22,865
BASF	270	270	Mowi	0	1,904	SpareBank 1SR-Bank	0	30,040
Bonheur	0	46,615	Nordic Semiconductor	0	6,000	Sparebank 1Østfold Akersl	0	450
BRABank	0	1,371,000	Norsk Hydro	0	96,736	SpareBank 1Østlandet	0	2,111
DNB	0	29,705	Norwegian Air Shuttle	0	49,491	Sparebanken Sør	0	15,840
DNO	0	457,388	Ocean Yield	0	39,037	Sparebanken Vest	0	5,869
DNO Bull ETN	0	7,000	Okeanis Eco Tankers	0	2,728	Sparebanken Øst	0	1,500
Entra	0	8,837	Orkla	0	18,644	Stolt-Nielsen	0	42,426
Equinor	0	5,002	Pareto Bank	0	1,279,375	Storebrand	0	6,115
Europris	0	14,750	PGS	0	11,656	Subsea 7	0	1,139
Fjord1	0	50,000	Pioneer Property	0	2,050	Telenor	0	2,731
Fjordkraft Holding	0	8,000	Protector Forsikring	0	14,785	TGS-NOPEC	0	2,000
Frontline	0	11,730	REC Silicon	0	32,708	VOWASA	0	4,781
Gjensidige Forsikring	0	7,280	SalMar	0	200	XXL	0	9,279
Golden Ocean Group	0	1,744	Sandnes Sparebank	0	27,532	Yara International	0	14,253
Grieg Seafood	0	770	Scatec Solar	0	35,000	Zenterio	0	78,865
Hafnia Limited	0	10,000						

This overview is updated monthly (last updated 17.03.2020).

*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:

2020Bulkers	GG. St. Kongensgade 100 og 106	Ocean Yield
Avanzia Bank	Hafnia Limited	Odfjell SE
Africa Energy	Hafslund E-CO	OKEA
African Petroleum Corporation	Hunter Group ASA	Oligo Group
Agder Energi	Hörmann Industries	Pareto Bank
Aker ASA	Ice Group	Petroleum Geo-Services
American Tanker	ICWHolding	PetroTal
Belships	Kingfish Zeeland	Pinewood Laboratories
BRABank	KlavenessCombination CarriersASA	Pioneer Property Group
BWEnergi	LifeFit	ProvidencesInv. Mngmt Pty
Cabonline Group Holding AB	Luxaviation Holding	Qesterre Energy
CentralNic Group	Monobank ASA	SandnesSparebank
DNO	MutaresSE& Co. KGaA	Seadrill
Erwe Immobilien	Navig8	Shamaran Petroleum
Euromicron AG	Navigator Holdings	Sparebanken Vest
Exmar NV	Norbit ASA	Stolt Nilsen
Filo Mining Corp	Northern Ocean	TEMPTON Dienstleistungen
Flex LNG	Norwegian Air Shuttle	United Camping AB
Floatel	Nouveau Monde Graphite	Vantage Drilling
Genel Energy		

This overview is updated monthly (this overview is for the period 28.02.2019 – 29.02.2020).

Appendix C

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

Distribution of recommendations

Recommendation	% distribution
Buy	56 %
Hold	39 %
Sell	5 %

Distribution of recommendations (transactions*)

Recommendation	% distribution
Buy	87 %
Hold	13 %
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 17.03.2020).

Appendix D

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

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

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

Disclosure of assignments and mandates

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

Azelio	Green Landscaping Holding	Mentice AB	Sedana Medical
Bionvent	IRRAS AB	Pledpharma AB	ShaM aran Petroleum
Climeon	Jetpak Top Holding AB	QleanAir Holding	

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:

ByggPartner i Dalarna Holding	Magnolia Bostad	Sedana Medical	Tethys Oil
Cibus Nordic Real Estate	Saltängen Property Invest	ShaM aran Petroleum	Vostok Emerging Finance
Isofol Medical	SciBase Holding		

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Bonäsudden	Delarka	Logistri	Sydsvenska Hem

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Appendix E

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

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Brenntag	Intershop Communications AG	OV B Holding AG	Surteco Group *
CORESTATE Capital Holding S.A.	ISRA Vision	Procredit Holding *	Szygy AG *
Daldrup & Söhne	Leifheit	PSI SOFTWARE AG *	TAKKT AG
Demire	Logwin *	PWO *	Vapiano
Epigenomics AG*	Manz AG *	RIB Software *	va-Q-tec *
Gesco *	MAX Automation SE	S&T AG *	Viscom *
GFT Technologies *	Merkur Bank	Schaltbau Holding AG *	

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

Appendix F

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

Sponsored Research

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Baywa	Dermapharm Holding SE	Leifheit	OH B SE
BB Biotech	First Sensor	MAX Automation SE	OV B Holding AG
B.R.A.I.N.	Godewind Immobilien AG	Merkur Bank	Siegfried Holding AG
comdirect	Hypoport AG	MOBOTIX AG	Vapiano

This overview is updated monthly (last updated 17.03.2020).