

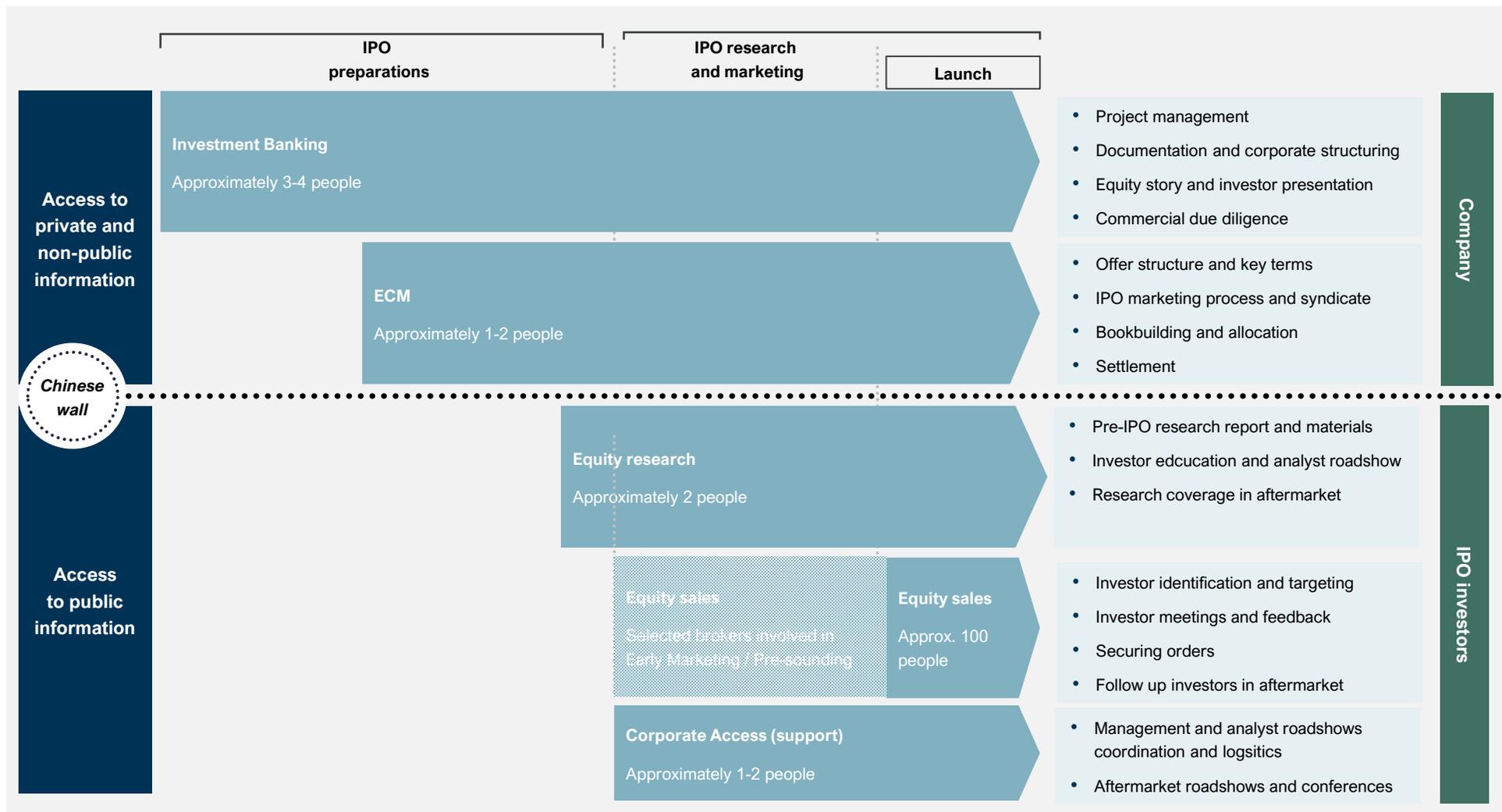


IPO marketing

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Who does what in the IPO process in an investment bank

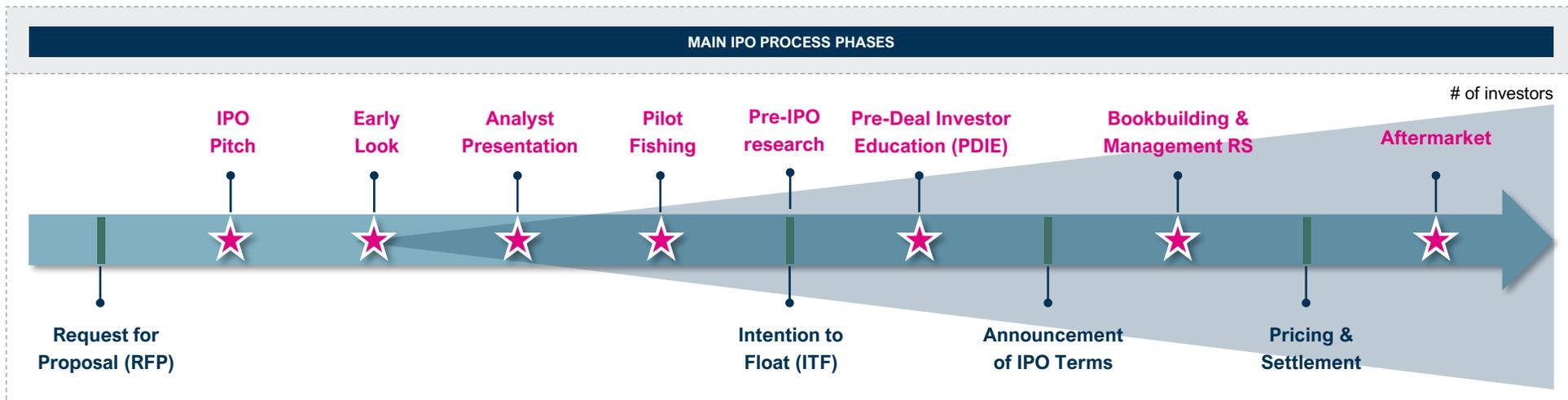


What is a successful IPO?

Successful for whom?			OUR ROLE	What is a successful IPO?
Stakeholder	Agenda	Goal	<p>ACT AS <u>BROKER</u> TO SECURE A SUCCESSFUL IPO THAT SHOULD BENEFIT ALL STAKEHOLDERS; THE CURRENT OWNERS, THE COMPANY AND THE INVESTORS</p>	<ul style="list-style-type: none"> • <u>For the current owners</u>; to maximize the return of the full exit: the selldown in the IPO as well as in the subsequent selldown(s) combined, while flexibility of timing to suit the owners needs • <u>For the company</u>; utilize the market for raising competitive capital as and when needed, maximize incentive plans for employees and marketing towards customers and suppliers • <u>For the new investors</u>; a good return on their investment and liquidity for trading • The highest price that supports a high quality balanced shareholders base with supportive long term investors and a healthy liquidity • Positive share performance first day of trading and immediate aftermarket • Continued analyst coverage, positive media, regular positive newsflow and meeting/exceeding expectations
Owner, seller	Good price	High price		
Company, management	Realistic expectations	Right price		
Investors	Good deal	Low price		

IPO marketing process phases I/II

Investor marketing



PROVEN MARKETING STRATEGY

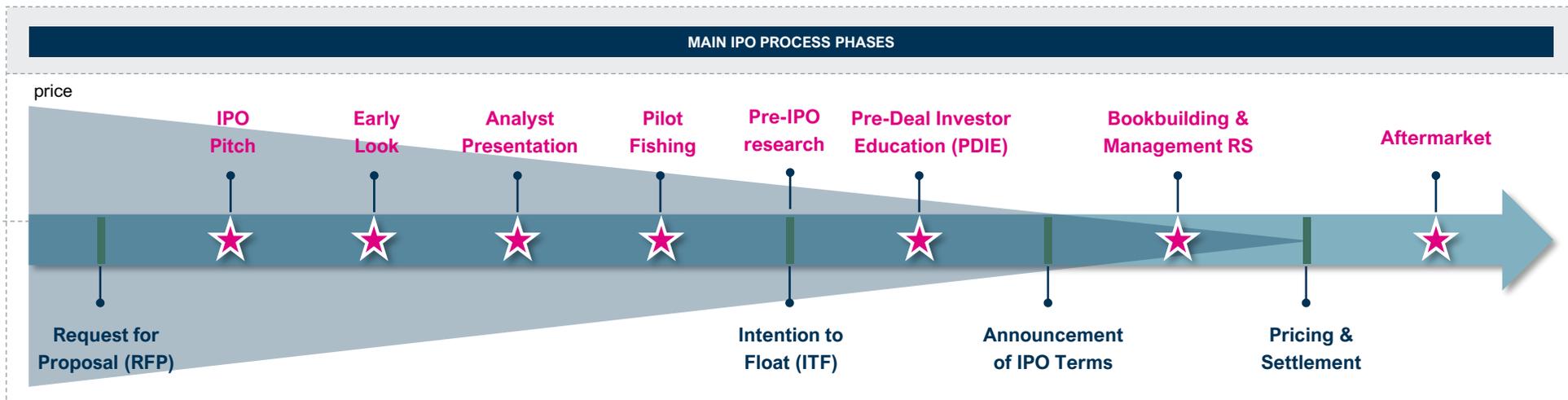
1	EARLY LOOK
<ul style="list-style-type: none"> • 10-15 high quality big ticket investors; to get good feedback and secure early interest. • Preliminary views on interest to invest, key positives and negatives, valuation and relevant peers. 	
2	PILOT-FISHING
<ul style="list-style-type: none"> • 20-25 additional potential anchor investors; and follow ups with relevant investors from early look. • Get further feedback: secure anchors, and potentially upgrade some to cornerstones with firm size and price. 	
3	BROAD PUBLIC LAUNCH
<p>PDIE (pre-deal investor education via research analyst):</p> <ul style="list-style-type: none"> • Spearheaded by Pareto's global sales force. • Intensive meeting program by research analysts to educate wide range of high-priority clients. • Key to convert potential investors into orders early. <p>Bookbuilding period and management roadshow:</p> <ul style="list-style-type: none"> • Management roadshow with one-on-one / group calls. • Pareto's full sales force to work with all investors to maximize investor demand. • Backed by comprehensive media campaign and marketing across banks and the company / owners. 	

CORNERSTONE RATIONALE

WHY	<ul style="list-style-type: none"> • Maximize deal certainty / early momentum. • Public validation of valuation and equity story. • Secure long term supportive shareholder base.
WHO	<ul style="list-style-type: none"> • Typically 2 to 6 well-reputed investors. • Mainly large Nordic institutional investors as well as certain international sector specialists.
AMOUNT	<ul style="list-style-type: none"> • Approx. 30-50% of the total deal size in sum. • Individual tickets of 5-20% of the total deal size.
TIMING	<ul style="list-style-type: none"> • Concluded cornerstones prior to broad public launch (before PDIE / bookbuilding).
TERMS	<ul style="list-style-type: none"> • Fixed price or committed throughout price range. • Guaranteed allocation. • Name used publicly in marketing and docs. • Same overall terms and conditions as for others.

IPO marketing process phases II/II

Price discovery



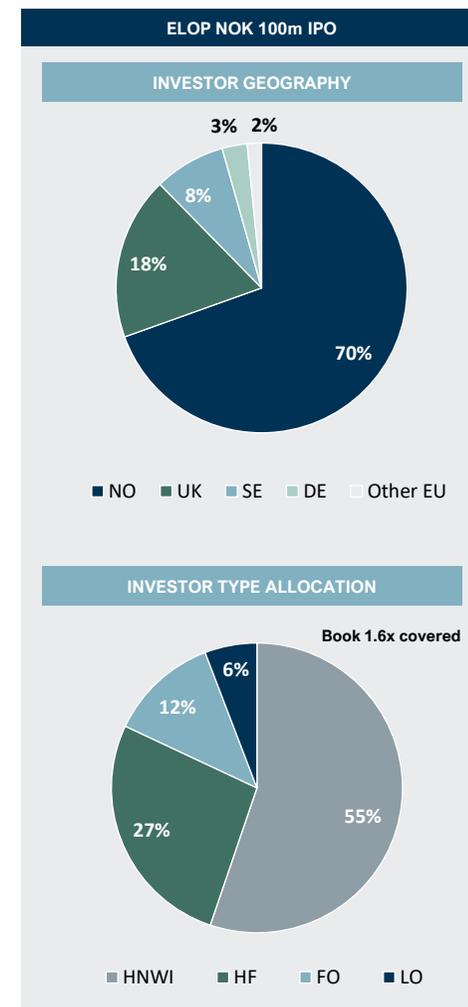
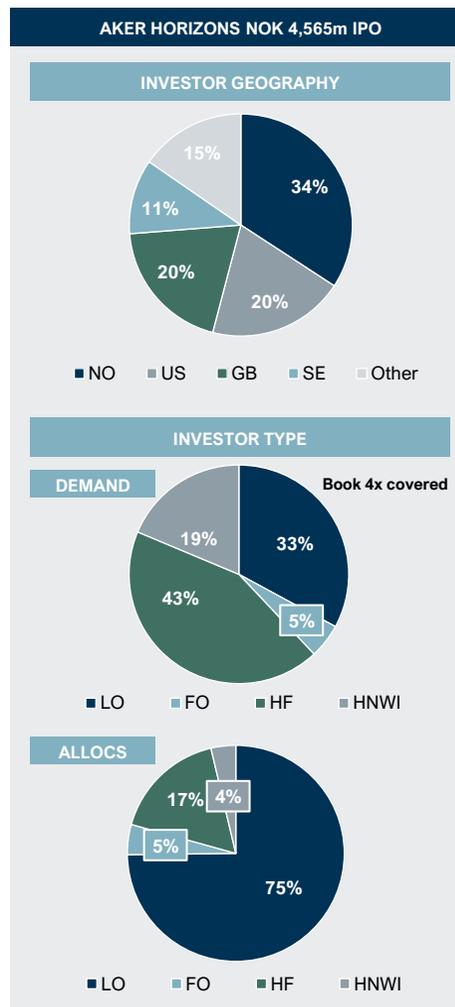
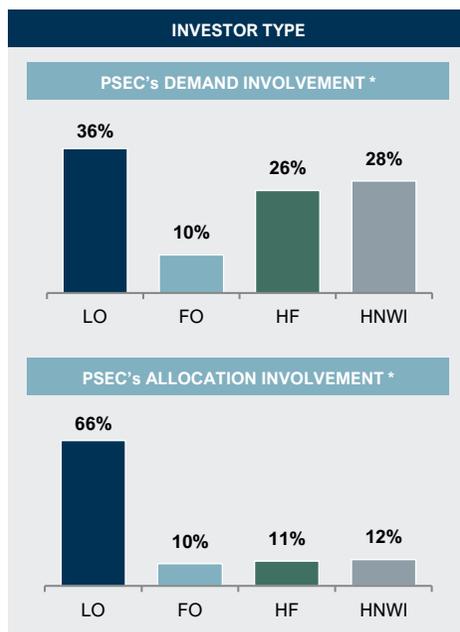
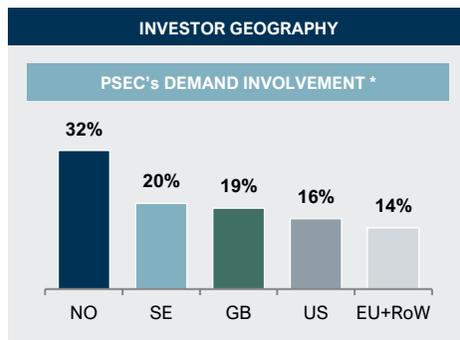
PRICING DECISIVE ACTIVITIES	IPO PITCH	EARLY LOOK	ANALYST PRESENTATION	PILOT FISHING	PDIE	LAUNCH IPO TERMS	BOOKBUILDING & MGT ROADSHOW
BANK INVOLVEMENT	IB, ECM, (Analyst)	IB, ECM, Sales	Analyst (IB)	Sales, ECM, IB, (analyst)	Analyst, (Sales, ECM)	ECM, Sales, IB	All
MANAGEMENT INVOLVEMENT	(Yes)	Yes	Yes, broad team	Yes	No	(Yes)	Yes
KEY DOCUMENT	(RFP) Pitch presentation	Early Look presentation	Analyst presentation	Pilot Fishing presentation	Pre-IPO research	Prospectus Deal docs package	Mgt roadshow pres Prospectus
MAIN FOCUS FOR MANAGEMENT	Define RFP Select syndicate Initiate IPO process	1:1 meetings Q&A and follow up	Deep dive presentation Extensive Q&A	1:1 meetings Q&A and follow up	ITF press release	Decide IPO terms Launch press release Publish Prospectus	1:1 meetings Group meetings Allocation Closing press release

Note: IB = Investment Banking team, ECM = Equity Capital Markets team, analyst = Equity Research analyst

Investor demand in recent IPOs

37 IPOs totaling approx. NOK 44 billion executed 2020 - YTD 2022

AVERAGE IPO STATISTICS	
PSEC's IPO SIZE COVERAGE *	4x of IPO size
IPO SIZE	NOK 1.2 billion
IPOs WITH CORNERSTONES	27 of 37 IPOs
CORNERSTONE COVERAGE	45% of IPO size
TOP10 ALLOCATION	66% of IPO size
TOP20 ALLOCATION	80% of IPO size
PSEC WITH GLOBAL COORDINATOR SYNDICATE ROLE	32 of 37 IPOs



Note(*): 100% of discretionary demand or allocation + 100% of split demand or allocation

Syndicate selection

Key criteria for selecting a bank

- ECM deal flow and sector track record
- Placing power and distribution capabilities
- Analyst coverage and competence
- Deal team experience and understanding of company§or

Syndicate size based on 65 recent Norwegian IPOs

Offer size NOK million	# syndicate banks*
<500	1
500-1,000	2
1,00-2,000	2
2,000 – 3,000	3
>3,000	3+

*Most frequent syndicate size within relevant offer size bracket, excluding any Co-Managers based on 65 IPOs on Oslo Børs and Euronext Growth 2020 and H12021

Different syndicate roles and levels

LEVEL 1:	Global Coordinator GC or if >1 JGC
LEVEL 2:	Joint Bookrunner JBR
LEVEL 3:	Co-Manager

Large or small syndicate

- Total fees and economic incentives 
- Distribution of shares: complementary? 
- Responsibility and focus 
- Coordination and process efficiency 
- Investor education 
- Analyst coverage and aftermarket attention 

Summarizing the marketing process for a successful outcome

Creating a positive momentum in the process for best outcome

STEP 1: SECURING QUALITY CORNERSTONES/ANCHORS AT BEST PRICE	STEP 2: MAXIMIZING DEMAND IN BOOKBUILDING	STEP 3: OPTIMAL ALLOCATION AND TRADING UP	STEP 4: CONTINUED POSITIVE AFTERMARKET
<ul style="list-style-type: none"> Putting ourselves in a position of strength where we can select highest quality cornerstones/anchors and drive price up 	<ul style="list-style-type: none"> With a strong cornerstone/anchor line up and parts of the transaction secured, other investor groups will feel a high confidence in the case and the pricing Wide and explosive effort towards all potential investor groups will maximize demand, securing the full IPO deal size and flexibility in allocation 	<ul style="list-style-type: none"> Securing a high quality shareholder base, liquidity in the share and making sure that many investors do not get all the shares they want to fuel after market demand including a powerful closing announcement First days of trading set the tone for continued after market performance 	<ul style="list-style-type: none"> Super important that the IPO pricing reflects realistic expectations that the company meets to enhance trust and credibility in the capital markets The company must deliver at or above expectations in the first quarter or two after IPO: no negative surprises Continued marketing and support and positive newsflow