

Amoéba

Final financing terms imply more dilution, but 75% already covered

Pharmaceuticals and Biotechnology | France

Amoéba this morning announced the final terms of the second stage of its financing plan, following the €7.9m private placement completed in September. The key new information is that the rights issue will target c.€9.7m through the issuance of up to 32.3m new shares at €0.30, versus the previously indicated c.24m shares at €0.416. Existing shareholders will receive one subscription right per share, with three rights allowing subscription to one new share. The €0.30 subscription price represents a 23.25% discount to the five-day VWAP of €0.3909 and a 4.08% discount to the theoretical ex-rights price based on the 30 September closing price.

Importantly, 75% of the transaction is already covered by subscription commitments totalling €7.27m, substantially de-risking completion of the minimum targeted financing. Nice & Green accounts for €5.17m of these commitments through the conversion of receivables, while other investors have committed €2.0m in cash and Chairman Benoit Villers €0.1m. Assuming full subscription, the share count would increase from 96.9m currently to 129.2m, before any warrant exercise. Nice & Green's stake would rise from 24.9% to 32.0%.

The revised terms imply somewhat more dilution than initially anticipated. On a purely mechanical TERP basis, we estimate that the fully subscribed rights issue would reduce our €1.20 Target Price to approximately €1.0, compared with the c.€1.03 we estimated under the previously announced terms. We therefore maintain our Buy recommendation while reviewing the precise Target Price impact of the transaction.

The warrant structure has also changed versus what we incorporated in our 25 September note. Each new share comes with one free BSA, but two BSAs are now required to subscribe for one additional share at €0.60, compared with the previously indicated one-for-one warrant at €0.65. Full warrant exercise could therefore create another 16.1m shares and provide c.€9.7m of additional funding. Under full subscription of the rights issue and subsequent full warrant exercise, the share count could ultimately reach 145.3m.

On funding, Amoéba now says the transaction should finance operations until 30 September 2027, after which the planned monetisation of Willa is intended to take over until financial self-sufficiency, now explicitly targeted from 2029 onwards. The proceeds are expected to be allocated c.30% to commercial development and c.70% to day-to-day requirements. The company reiterates that, subject to successful Willa monetisation, this should represent its final call on the equity market before financial self-sufficiency.

There is also some useful additional colour on Willa monetisation. Discussions with several cosmetics players are ongoing for a transaction in 2027, either through a sale or exclusive licence. Amoéba now explicitly envisages a structure combining a substantial upfront payment, recurring Willa ingredient supply revenues, development-related payments and potentially royalties. Management describes completion, timing and valuation of this transaction as its top priorities.

Year To:	2025A	2026E	2027E	2028E
Sales (€m)	0.6	6.8	17.6	34.7
REBITDA (€m)	(5.3)	(2.3)	3.4	10.4
Net earnings (€m)	(6.6)	(5.6)	(0.1)	5.6
Diluted, adjusted EPS (€)	(0.11)	(0.08)	0.00	0.06
Dividend per share (€)	0.00	0.00	0.00	0.00
PE (diluted, adjusted)	0.00	(4.24)	(251.69)	5.52
EV / REBITDA (x)	(1.69)	(15.77)	12.29	3.62
Free cash flow yield (%)	n/a	(23.7)	6.5	23.6
Dividend yield (%)	--	0.0	0.0	0.0

Source: KBC Securities

Share Price:	€0.3
Target Price:	€1.0
Upside/Downside:	212.5%

Recommendation:	Buy
Previous Recommendation:	Buy

Analyst Details

Guy Sips
Executive Director Research
+32 2 429 30 02
guy.sips@kbcsecurities.be

Key Data

Bloomberg:	ALMIB FP
Reuters:	ALMIB.PA
URL:	https://amoeba-nature.com/
Market Cap. (m):	€24.9
Shares Out. (m):	77.8
Volume (Daily):	463396
Price 12m Hi/Lo:	1.2 / 0.3

Performance	1m	3m	12m
Absolute (%)	-57.1	-62.5	-70.0
Rel. CAC40	-51.7	-55.0	-67.3

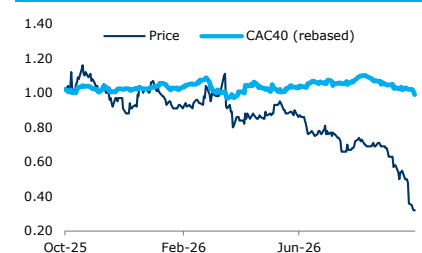
Next Corporate Event

Sponsored Research

KBC Securities has been remunerated by the company for the provision of sponsored research. This material is considered by KBC Securities to qualify as an acceptable minor non-monetary benefit according to the EU MIFID II directive.

KBC Securities NV has an agreement with the company for the preparation of research reports and is compensated for this service. The Research Department of KBC Securities NV prepares sponsored research without the company's right to give instructions. However, sponsored research is commissioned and paid for by the company, and KBC Securities NV considers such content to qualify as a minor non-monetary benefit under the EU MIFID II Directive.

Price Chart



Source: Refinitiv Datastream

KBC Securities view: The commercial story is essentially unchanged from our 25 September update, with €1-2m FY27 revenues, c.€40m by FY30 and €80m by FY32 reiterated. The real news today is therefore the financing mechanics. We welcome that the second leg is already 75% covered and provides visibility on funding through September 2027. However, the lower €0.30 issue price and larger 32.3m share issuance imply materially higher dilution than the c.24m new shares assumed in our previous note, while warrants create another layer of potential dilution. At the same time, the clearer structure for Willa monetisation strengthens the intended bridge towards financial self-sufficiency. We would therefore view today's announcement as positive for near-term funding visibility, but at the cost of higher-than-anticipated dilution.

The revised terms imply somewhat more dilution than initially anticipated. On a purely mechanical TERP basis, we estimate that the fully subscribed rights issue would reduce our €1.20 Target Price to approximately €1.0, compared with the c.€1.03 we estimated under the previously announced terms. We therefore maintain our Buy recommendation while reviewing the precise Target Price impact of the transaction.

$$TP_{new} = \frac{(\text{€}1.19 \times 96.884m) + (\text{€}0.30 \times 32.295m)}{129.179m}$$

$$TP_{new} \approx \text{€}0.97$$

FINANCIAL DATA

Income Statement (€ m)	2023A	2024A	2025A	2026E	2027E	2028E
Sales	0.0	0.0	0.6	6.8	17.6	34.7
COGS	0.0	0.0	(0.5)	(3.7)	(8.1)	(15.3)
Gross profit	0.0	0.0	0.1	3.1	9.5	19.5
Operating costs	(7.3)	(6.3)	(6.4)	(6.6)	(7.5)	(10.6)
Other income & costs	(6.7)	0.6	0.6	0.6	0.6	0.6
EBIT	(14.0)	(5.7)	(5.6)	(2.9)	2.5	9.5
Other non-operating	(0.1)	0.0	0.0	0.0	0.0	0.0
Net interest	(0.1)	(0.9)	(1.0)	(2.6)	(2.6)	(2.6)
Pre-tax earnings	(14.3)	(6.6)	(6.6)	(5.6)	(0.1)	6.9
Taxes	0.0	0.0	0.0	0.0	0.0	(1.2)
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued & other	0.0	0.0	0.0	0.0	0.0	0.0
Consolidated earnings	(14.3)	(6.6)	(6.6)	(5.6)	(0.1)	5.6
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings (€m)	(14.3)	(6.6)	(6.6)	(5.6)	(0.1)	5.6
Depreciation and amortisation	(1.1)	(0.8)	(0.4)	(0.7)	(0.9)	(0.9)
Non recurring elements included in EBIT	(7.4)	0.0	0.0	0.0	0.0	0.0
REBITDA (€m)	1.8	(4.9)	(5.3)	(2.3)	3.4	10.4
EBITDA	(5.6)	(4.9)	(5.3)	(2.3)	3.4	10.4
Adjusted net earnings	(6.9)	(6.6)	(6.6)	(5.6)	(0.1)	5.6

Source: KBC Securities

Balance Sheet (€ m)	2023A	2024A	2025A	2026E	2027E	2028E
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Tangible assets	2.8	3.5	6.7	9.4	9.2	9.0
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Other fixed assets	0.9	0.7	0.7	0.7	0.7	0.7
Total fixed assets	3.7	4.3	7.5	10.2	9.9	9.7
Inventories	0.2	0.2	0.0	0.4	0.8	1.5
Receivables	0.0	0.0	0.1	1.0	2.6	5.2
Other current assets	1.9	1.9	1.9	1.9	1.9	1.9
Cash & equivalents	0.5	0.5	8.5	6.7	6.1	10.8
Total current assets	2.6	2.6	10.6	10.0	11.4	19.4
Total assets	6.3	6.9	18.0	20.1	21.3	29.1
Equity	(3.9)	(10.4)	(17.0)	(22.6)	(22.7)	(17.0)
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Long term financial debt	2.8	1.8	1.8	1.8	1.8	1.8
Other long term liabilities	0.9	0.9	0.9	0.9	0.9	0.9
Total long term liabilities	3.8	2.7	2.7	2.7	2.7	2.7
Short term financial debt	2.1	10.6	15.7	15.7	15.7	15.7
Payables	1.4	1.0	0.1	1.1	2.4	4.6
Other current liabilities	3.0	3.0	3.0	3.0	3.0	3.0
Total short term liabilities	6.5	14.5	18.8	19.8	21.1	23.2
Total equity and liabilities	6.3	6.8	4.5	(0.1)	1.1	8.9
Net working capital	(1.2)	(0.8)	0.0	0.3	1.0	2.2
Net debt	4.4	11.9	8.9	10.8	11.4	6.7

Source: KBC Securities

Cash Flow Statement (€ m)	2023A	2024A	2025A	2026E	2027E	2028E
Consolidated earnings	(14.3)	(6.6)	(6.6)	(5.6)	(0.1)	5.6
Depreciation, amortisation & impairment	8.5	0.8	0.4	0.7	0.9	0.9
Change in working capital	(0.9)	(0.4)	(0.8)	(0.3)	(0.7)	(1.1)
Other cash flow from operations	0.2	2.0	1.0	2.6	2.6	2.6
Cash flow from operations	(6.5)	(4.2)	(6.0)	(2.5)	2.7	8.0
Net capital expenditure	(6.1)	(1.4)	(3.5)	(3.4)	(0.7)	(0.7)
Acquisitions / disposals	0.0	0.0	0.0	0.0	0.0	0.0
Other cash flow from investments	3.3	(0.6)	0.0	0.0	0.0	0.0
Cash flow from investments	(2.8)	(2.0)	(3.5)	(3.4)	(0.7)	(0.7)
Dividend payments	0.0	0.0	0.0	0.0	0.0	0.0
Shares issues	0.0	0.0	13.5	6.7	0.0	0.0
New borrowings / reimbursements	3.3	8.5	5.1	0.0	0.0	0.0
Other cash flow from financing	1.0	(2.3)	(1.0)	(2.6)	(2.6)	(2.6)
Cash flow from financing	4.3	6.2	17.6	4.1	(2.6)	(2.6)
Change in cash & equivalents	(5.0)	(0.1)	8.1	(1.9)	(0.6)	4.7
Free cash flow (before acquisitions)	(12.6)	(5.6)	(9.6)	(5.9)	2.0	7.3

Source: KBC Securities

Per Share Data (€)	2023A	2024A	2025A	2026E	2027E	2028E
Basic EPS	(0.29)	(0.13)	(0.11)	(0.08)	0.00	0.06
Diluted, adjusted EPS	(0.14)	(0.13)	(0.11)	(0.08)	0.00	0.06
Net book value per share	(0.08)	(0.21)	(0.28)	(0.31)	(0.26)	(0.18)
Dividend per share (€)	0.00	0.00	0.00	0.00	0.00	0.00
Weighted average number of shares, diluted (m)	49.28	50.80	60.41	73.53	87.53	97.05

Source: KBC Securities

Performance Criteria	2023A	2024A	2025A	2026E	2027E	2028E
Sales growth (%)	--	--	--	1,000.2	159.0	97.6
REBITDA growth (%)	138.8	(368.3)	(7.5)	57.1	252.5	201.5
Net earnings growth (%)	(78.2)	53.9	(0.1)	15.8	98.0	5,156.5
Gross margin (%)	n/a	n/a	20.0	45.4	53.8	56.1
REBITDA margin (%)	n/a	n/a	(855.6)	(33.3)	19.6	29.9
REBIT margin (%)	n/a	n/a	(913.0)	(43.3)	14.3	27.3
Net working capital / sales (%)	n/a	n/a	(1.0)	4.1	5.8	6.2
Net capital expenditure / sales (%)	n/a	n/a	(574.4)	(49.6)	(4.0)	(2.0)
Net debt / Equity + Minorities (x)	(1.12)	(1.14)	(0.53)	(0.48)	(0.50)	(0.39)
Net debt / EBITDA (x)	(0.79)	(2.42)	(1.69)	(4.77)	3.30	0.64
Pay-out ratio (%)	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted return on equity (%)	n/a	n/a	n/a	n/a	n/a	n/a
Adjusted return on capital employed (%)	n/a	n/a	n/a	n/a	n/a	n/a

Source: KBC Securities

Valuation Data	2023A	2024A	2025A	2026E	2027E	2028E
PE (diluted, adjusted)	0.00	0.00	0.00	(4.24)	(251.69)	5.52
EV / Sales (x)	n/a	n/a	14.5	5.3	2.4	1.1
EV / REBIT (x)	(0.7)	(2.1)	(1.6)	(12.2)	16.9	4.0
EV / REBITDA (x)	2.4	(2.4)	(1.7)	(15.8)	12.3	3.6
P / NBV (x)	0.0	0.0	0.0	(1.1)	(1.4)	(1.8)
FCF yield (%)	n/a	n/a	n/a	(23.7)	6.5	23.6
Dividend yield (%)	--	--	--	0.0	0.0	0.0

Source: KBC Securities

DISCLAIMER & DISCLOSURES

The company disclosures can also be consulted on our website

<https://research.kbcsecurities.com/portal/portal.html#!/disclosures>

This publication has been prepared by KBC Securities which is regulated by FSMA (Financial Services and Markets Authority) and by NBB (National Bank of Belgium).

This publication has been finalised on Oct 2 2026 .

KBC Securities uses an absolute rating system including terms such as Buy, Accumulate, Hold, Reduce and Sell (see definitions below).

Stock Rating	Definition	% Of Cov Universe	% IB Client in Last Year
Buy	Expected total return (including dividends) of 10% or more over a 6-month period	31.0	45.7
Accumulate	Expected total return (including dividends) between 0% and 15% over a 6-month period	38.1	30.2
Hold	Expected total return (including dividends) between -5% and 5% over a 6-month period	29.2	21.2
Reduce	Expected total return (including dividends) between -15% and 0% over a 6-month period	0.9	0.0
Sell	Expected total return (including dividends) of -10% or worse over a 6-month period	0.9	0.0

Due to external factors and in exceptional cases, KBC Securities allows the use of ratings such as Accept the Offer, Black Out, No Recommendation or Suspended.

Our analysts assign one of those ratings based on their investment outlook and valuation for the concerned stock. The valuation can be based on different methodologies such as DCF (discounted cash flow), absolute multiples, peer group multiples, sum-of-parts or NAV (Net Asset Value). The valuation is reflected in a 6-month target price. Occasionally, the expected total return may fall outside of these ranges because of price movement and/or volatility. Such deviations will be permitted but will be closely monitored. Investors should carefully read the definitions of all ratings used in each research report. In addition, since the report contains more complete information concerning the analyst's view, investors should carefully read the entire report and not infer its contents from the rating alone. KBC Securities may disclose the drafts of its reports to the issuers before their dissemination for the purpose of verifying the accuracy of factual statements, except when the draft includes a rating or a target price. In case the draft has been amended following this disclosure, such amendments will be indicated in the concerned report.

Business Description for: Amoéba

Founded in 2010, Amoéba is an industrial greentech company based in Chassieu (Lyon, France) whose ambition is to become a major player in the deployment of amoebae in the plant protection and cosmetics sectors. Thanks to its unique and patented knowhow, Amoéba is the only company capable of exploiting the full potential of amoebae on an industrial scale and growing it in sufficient volumes to offer biological solutions that constitute a viable alternative to the chemical products widely used today. Amoéba is currently focusing on the global biocontrol market for plant protection and the cosmetics market.

Company Specific Disclosures

A. KBC Group NV holds more than 0.5% in this company

- B. This company owns more than 5.0% of its own shares
- C. Within the last 12 months, KBC Securities NV has been lead manager or co-lead manager of any publicly disclosed offer of financial instruments of this company
- D. Within the last 12 months, KBC Securities NV has provided or is providing investment banking services and/or received compensation or has the promise to get commission for investment banking services for this company
- E. KBC Securities NV makes a market and/or is liquidity provider for this company

Subject Company	Relevant disclosure(s) if any
Amoéba	D

The price target for Amoéba is based on the following parameters:

Amoéba has reached an important inflection point, shifting from R&D and regulatory development towards industrialisation and commercial execution. With first deliveries to Koppert, permanent French approval for AXPERA and the Syngenta agreement, Amoéba now targets €1-2m sales in FY27 and c. €40m by FY30, with a >10% recurring operating margin. To fund this transition, Amoéba launched a two-step capital increase potentially raising >€18m. The completed €7.9m first tranche implies a mechanical dilution of our €1.40 TP to c. €1.20. Management expects this to be its final market financing before financial self-sufficiency, supported by Willa monetisation in FY27. The next 12-24 months will therefore be crucial: the investment case is increasingly moving from regulatory optionality to commercial execution. With just €63k of 1H26 revenues versus a €40m FY30 ambition, delivery on volumes, pricing, adoption and funding will be key

The risks which may impede the achievement of our price target for Amoéba are:

Amoéba faces key risks including potential delays in obtaining regulatory approvals for Axpera, challenges in market adoption of its products, issues in closes commercial partnerships, financial risks due to high cash burn and reliance on external funding, intense competition in the biocontrol and cosmetics markets, and difficulties in scaling up production to meet market demand.

Below is an overview of the stock ratings and target price history in the last 12 months for the stock(s) described in this report. Rating and price history is delayed by 1 month.

Company	Date	Rating	Target Price
Amoéba	Mar 26 2026	Buy	1.40

KBC Securities will provide periodic updates on companies/industries based on company-specific developments or announcements, market conditions or any other publicly available information.

Only that part of the research note is made available to the issuer (who is the subject of this analysis) which is necessary to properly reconcile the facts. Should this result in real changes a reference is made in the research note.

KBC Securities policy prohibits its analysts and members of their households from owning securities of any company in the analyst's area of coverage.

CONTACT DETAILS

Patrick De Baets

+32 2 417 36 81

Head of Equities

Research team

Analyst

Thomas Couvreur (Head of Research)
Michiel Declercq
Mathijs Geerts Danau
Lynn Hautekeete
Wim Hoste
Livio Luyten
Kristof Samoy
Guy Sips

Contact

+32 2 429 06 63
+32 2 429 18 05
+32 2 448 53 20
+32 2 448 22 05
+32 2 429 37 13
+32 2 448 45 46
+32 2 448 37 62
+32 2 429 30 02

Coverage

Real Estate
Consumer Goods
Biotech & Pharma
Real Estate
Chemicals & Breweries
Holdings
Energy
Small & Midcaps Benelux

Equity sales team

Sales

Stefaan De Lathouwer (Head of Equity Sales)
Xavier Gossaert
Tim Leemans
Axel Roegiers
Jeroen Van den Bossche

Contact

+32 2 417 44 68
+32 2 417 53 68
+32 2 417 25 48
+32 2 417 53 67
+32 2 417 25 89

Sales Trading

Veronique De Schoemaecker (Head of Sales Trading)
Laurens Fontaine
Auerbach Grayson Trading desk (US)

+32 2 417 32 28
+32 2 417 50 17
+1 212 557 4444

Bond sales team

Sales

Alexander Lehmann (Head of Sales)
Alban Kerdranvat
Pranab Patel
David Smagge

Contact

+32 2 417 46 25
+32 2 417 25 45
+32 2 417 46 75
+32 2 417 61 54

Syndication team

Stephanie Van Heyste
Laurent Steinier

+32 2 429 98 43
+32 2 429 36 18

KBC Securities NV
Havenlaan 2 Avenue du Port
1080 Brussels
Belgium
+32 2 417 44 04
Regulated by FSMA and NBB

KBC Securities (Hungarian Branch)
Lechner Ödön fasor 10
1095 Budapest
Hungary
+361 483 4005
Regulated by PSZAF

The company disclosures can be consulted on our website <http://www.kbcsecurities.com/disclosures>

Regulation Analyst certification: The analysts identified in this report each certify, with respect to the companies or securities that the individual analysis that (i) the views expressed in this publication reflect his or her personal views about the subject companies and securities, and (ii) he or she receives compensation that is based upon various factors, including his or her employer's total revenues, a portion of which are generated by his or her employer's investment expressing the specific recommendation(s) in this report.

This publication has been prepared by KBC Securities NV (Belgium) ("KBCSNV-Be") which is regulated by FSMA (Financial Services and Markets Authority) and by NBB (National Bank of Belgium). This publication is provided for informational purposes only and is not intended to be an offer, or the solicitation of any offer, to buy or sell the securities referred to herein. No part of this publication may be reproduced in any manner without the prior written consent of KBCSNV-Be.

The information herein has been obtained from, and any opinions herein are based upon, sources believed reliable, but neither KBCSNV-Be nor its affiliates represent that it is accurate or complete, and it should not be relied upon as such. All opinions, forecasts, and estimates herein reflect our judgement on the date of this publication and are subject to change without notice.

From time to time, KBCSNV-Be, its principals or employees may have a position in the securities referred to herein or hold options, warrants or rights with respect thereto or other securities of such issuers and may make a market or otherwise act as principal in transactions in any of these securities. Any such persons may have purchased securities referred to herein for their own account in advance of the release of this publication. KBCSNV-Be and principals or employees of KBCSNV-Be may from time to time provide investment banking or consulting services to, or serve as a director of a company being reported on herein.

This publication is provided solely for the information and use of investors who are expected to make their own investment decisions without undue reliance on this publication. This publication meets the definition of investment research prepared according to the requirements to ensure the objectivity and independence of financial analysts, and cannot be considered to constitute personal investment advice. Investors must make their own determination of the appropriateness of an investment in any securities referred to herein based on the merits and risks involved, their own investment strategy and their legal, fiscal and financial position. Past performance is no guarantee for future results. By virtue of this publication, none of KBCSNV-Be or any of its employees shall be responsible for any investment decision.

KBCSNV-Be has implemented certain in-house procedures known as Chinese walls that aim to prevent the inappropriate dissemination of inside and confidential information. E.g. a Chinese wall surrounds the corporate finance department within KBCSNV-Be.

Further measures have been taken with regard to the separation of certain activities that could lead to conflicts of interest with other activities within KBCSNV-Be and to ensure the objectivity and independence of investment research (such as separate supervision and reporting lines, restrictions on personal transactions of financial analysts, prohibition to accept inducements, ...). KBCSNV-Be is part of the international KBC Group. Therefore it can not a priori be excluded that another KBC Group entity might have an interest or a conflict of interest with respect to the issuer to which this publication relates. However KBCSNV-Be has taken reasonable care to ensure that these circumstances do not impair the objectivity of the recommendation. As such the investment research activity of KBCSNV-Be is separated from the activities of the other KBC Group activities. Such separation has been realized by lodging such activities in different legal entities with proper reporting lines and proper information barriers put in place. If, nevertheless, the analyst preparing the report would have become aware of any such interest or conflict of interest, such information has been disclosed.

In the United States, this publication is being disseminated only to Major Institutional Investors ("MIIs") through our U.S. affiliate correspondent broker dealer, Auerbach Grayson and Company, but does not take responsibility for the contents of the report. Orders in any securities referred to herein by any U.S. investor should be placed with Auerbach Grayson and Company and not with any of its foreign affiliates. Pursuant to FINRA Rules 2241(h)(4) and 2242(g)(3) third-party research reports conflict of interest disclosures on equity and debt securities include (i) for equity research in the event Auerbach Grayson and Company and/or its affiliates own 1% or more of the subject company's common equity securities covered by the report; (ii) Auerbach Grayson and Company or its affiliates are acting as a market maker for the covered company or, in the case of a report on debt securities, trading as a principal in such securities; (iii) provision of investment banking services or managing an offering for a covered company during the past 12 months; (iv) an expectation of providing investment banking services to the subject company in the next three months, or (v) any other actual, material conflicts of interest. A disclosure on all debt research report at the time of publication or distribution of the report: (A) if the debt research analyst or a member of the debt research analyst's household has a financial interest in the debt or equity securities of the subject company (including without limitation, any option, right, warrant, future, long or short position) and the nature of such interest; (B) if the debt research analyst has received compensation based upon (among other factors) the member's investment banking, sales and trading or principal trading revenues; (C) if the member or any of its affiliates: (i) managed or co-managed a public offering of securities for the subject company in the past 12 months; (ii) or received compensation for investment banking services from the subject company in the past 12 months, or (iii) expects to receive or intend to seek compensation for investment banking services from the subject company in the next three months.

Any U.S. recipient of this report that is not a bank or broker-dealer and that wishes to receive further information regarding, or to effect any transaction in, any security discussed in this report, should contact and place orders with Auerbach Grayson and Company. This report is being distributed in the United States solely to investors that are (i) "major U.S. institutional investors" (within the meaning of SEC Rule 15a-6 and applicable interpretations relating thereto) that are also "qualified institutional buyers" (QIBs) within the meaning of SEC Rule 144A promulgated by the United States Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act") or (ii) investors that are not "U.S. Persons" within the meaning of Regulation S under the Securities Act and applicable interpretations relating thereto.

The offer or sale of certain securities in the United States may be made to QIBs in reliance on Rule 144A. Such securities may include those offered and sold outside the United States in transactions intended to be exempt from registration pursuant to Regulation S. This report does not constitute in any way an offer or a solicitation of interest in any securities to be offered or sold pursuant to Regulation S. Any such securities may not be offered or sold to U.S. Persons at this time and may be resold to U.S. Persons only if such securities are registered under the Securities Act of 1933, as amended, and applicable state securities laws, or pursuant to an exemption from registration. The products sold by Auerbach Grayson and Company or any affiliate thereof, including KBCSNV-Be, are not insured by the FDIC, are not obligations of or guaranteed by KBC Bank NV or its affiliates, and are subject to investment risks, including possible loss of the entire amount invested.

This publication is for distribution in or from the United Kingdom only to persons who are authorised persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom or any order made thereunder or to investment professionals as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and is not intended to be distributed or passed on, directly or indirectly, to any other class of persons.

This publication is for distribution in Canada only to pension funds, mutual funds, banks, asset managers, insurance companies and other institutional investors.

The distribution of this publication in other jurisdictions may be restricted by law, and persons into whose possession this publication comes should inform themselves about, and observe, any such restrictions. In particular this publication may not be sent into or distributed, directly or indirectly, in Japan or to any resident thereof.