

Analyst

Stuart Howe 613 9235 1856

Associate

Joseph House 613 9235 1624

Authorisation

Peter Arden 613 9235 1833

Recommendation

Buy (unchanged)

Price

\$0.22

Target (12 months)

\$0.35 (previously \$0.36)

Risk

Speculative

GICS Sector

Materials

Expected Return

Capital growth	59%
Dividend yield	0%
Total expected return	59%

Company Data & Ratios

Enterprise value	\$142m
Market cap	\$150m
Issued capital	680m
Free float	85%
Avg. daily val. (52wk)	\$213,890
12 month price range	\$0.086-\$0.275

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	0.17	0.13	0.11
Absolute (%)	29.41	76.00	100.00
Rel market (%)	27.90	59.96	109.98

Absolute Price



SOURCE: IRESS

Alpha HPA (A4N)

Q4 FY20: HPA First keeps advancing

HPA market outreach, ORI agreement & permitting the focus

A4N continues to advance its HPA First Project through market outreach programs for high purity alumina (HPA) product, formalising the partnering agreement with Orica Ltd (ORI), progressing Gladstone site purchase agreements and project permitting, and commencing project financing discussions.

Further production runs to support HPA sample demand

'Demonstration scale' production runs at the HPA First Pilot Plant are in progress following larger test sample requirements and orders from potential end-users. The trials continue to yield positive results with HPA samples assaying up to 99.998% and increased confidence in scaling-up the HPA First solvent extraction process.

Orica exclusivity extended to support definitive agreement

ORI and A4N have progressed engineering and commercial work for a definitive reagent supply and by-product offtake agreement. ORI's exclusivity period has been extended to 31 October 2020 to support detailed quality control, project interfacing and other necessary workflows.

Debt advisors appointed to coordinate project financing

KPMG Debt Advisory Team (DAT) has been appointed to coordinate project financing and has initiated commercial engagement with several banking groups. KPMG DAT has experience securing funding from the Northern Australia Infrastructure Fund (NAIF) and the Clean Energy Finance Corporate (CEFC). At 30 June 2020, A4N had cash of \$8m and no debt following a \$7m placement during the quarter.

Investment thesis: Speculative Buy, Valuation \$0.35/sh

Our Buy, Speculative recommendation is supported by the potential for A4N's HPA First Project to generate significant free cash flow through supplying 4N HPA to the high-growth lithium ion battery manufacturing sector. The HPA First technology has passed rigorous due diligence by third party technical consultants and through the partnering process with ORI. A4N provides value leverage to the electric vehicle and renewable energy sectors. Our A4N risked and diluted A4N valuation is \$0.35/sh (previously \$0.36/sh).

A4N is a development company with prospective operations and cash flows only. Our Speculative risk rating recognises this higher level of risk and volatility of returns.

Earnings Forecast

Year ending 30 June	2021e	2022e	2023e	2024e
Sales (A\$m)	-	-	57	197
EBITDA (A\$m)	(2)	(2)	27	123
NPAT (reported) (A\$m)	(2)	(16)	(1)	67
NPAT (adjusted) (A\$m)	(2)	(16)	(1)	67
EPS (adjusted) (eps)	(0.2)	(1.4)	(0.1)	5.7
EPS growth (%)	na	na	na	na
PER (x)	-99.2x	-16.3x	-390.6x	3.9x
FCF Yield (%)	-54%	-89%	-4%	16%
EV/EBITDA (x)	-70.9x	-70.9x	5.2x	1.2x
Dividend (eps)	-	-	-	3.0
Yield (%)	0%	0%	0%	14%
Franking (%)	-	-	-	-
ROE (%)	-2%	-10%	0%	42%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Q4 FY20: HPA First keeps advancing

The June 2020 quarter and recent announcements have highlighted a number of key engineering, permitting and commercial activities for the HPA First Project which continue to advanced, including:

- Market outreach programs for A4N's future HPA products.
- The Definitive Supply and Offtake Agreement with ORI for reagent supply and by-product offtake;
- Contract negotiations with the Queensland Government for the purchase of project site within the Gladstone Development Area (GSDA);
- Permitting activities; and
- The appointment of the Brisbane based KPMG Debt Advisory Team to coordinate project financing for the HPA First Project.

Orica partnering progresses; exclusivity period extended

The joint A4N-ORI Engineering Co-operation Group has focused on HPA First Project by-product quality assurance/control, concentration and delivery specifications. Orica's exclusivity over the project has been extended to 31 October 2020 (previously 31 July 2020). We expect a definitive binding agreement to be reached prior to this date on the supply of reagents for the HPA First Project and the offtake of the chemical by-products produced.

Gladstone site purchase negotiations continue

A4N have finalised negotiations with the Queensland Government to purchase the proposed 9.2Ha site adjacent to the Orica Yarwun site within the GSDA. Purchase consideration of \$2.5m is payable on a Final Investment Decision (FID) within 24 months of contract signing. Pre-lodgement documentation has been submitted with the Queensland Office of the Co-ordinator General and Queensland Department of Environment and Science for site preparation. Permitting for the road interface between the Orica and the Alpha HPA project sites has also progressed.

KPMG to lead debt financing

The Brisbane based KPMG Debt Advisory Team (KPMG DAT) has been appointed to coordinate financing for the HPA First project. KPMG DAT have recently been involved in securing funding from lending agencies including the Northern Australia Infrastructure Facility (NAIF) and the Clean Energy Finance Corporation (CEFC) for local projects. The team have commenced commercial engagement with several banking groups. Following the quarterly update, A4N confirmed receiving preliminary interest from a number of domestic and international commercial lenders.

During the quarter, A4N completed a \$7m placement at 14.5c per share. The funds will assist A4N up-scale its HPA pilot plant, progress the market outreach for potential HPA and boehmite products and advance financing and permitting activities associated with the HPA First project.

At 30 June 2020, A4N had cash of \$8m and no debt.

Changes to earnings estimates

We have made no operational adjustments to our A4N model following the June 2020 quarterly report. We have updated shares on issue for the most recent capital raising.

Near term news flow & value catalysts

- Agreement and completion of a definitive and binding Supply and Offtake Agreement with ORI (exclusivity ends on 31 October 2020) or another suitable chemical company counterparty.
- Continued efficiency and operational improvements in the pilot plant at larger volumes and higher grade assaying of pre-cursor and final product HPA.
- Commencement of detailed post-DFS front-end engineering design (FEED) in preparation for engineering, procurement, construction management (EPCM) tendering.
- Environmental and other statutory permitting approvals for the construction of the HPA First Project facility and the required connecting pipeline infrastructure to the chemical counterparty.
- Ongoing discussions and potential signing of offtake agreements with end-users in the lithium ion battery and LED light manufacturing sectors.

Quarterly cash flow summary

Table 1 - Quarterly cash flow summary A\$k

Quarter ending	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Development	-568	-711	-681	-604	-263	-774	-1,216	-1,201	-1,908	-871
Staff, administration & corporate	-412	-323	-398	-267	-400	-551	-598	-479	-586	-372
R&D refunds	0	0	0	0	0	0	234	684	0	0
Other operating	-207	-59	14	11	8	5	106	106	6	3
Total operating cash flows	-1,187	-1,093	-1,065	-860	-655	-1,320	-1,474	-890	-2,488	-1,240
Total investing cash flows	0	0	50	100	0	0	0	0	0	0
Proceeds from shares net of costs	0	0	3,927	-17	0	0	4,424	2,076	0	7,000
Other financing cash flows	18	0	83	99	35	28	40	39	37	-231
Total financing cash flows	18	0	4,010	82	35	28	4,464	2,115	37	6,769
Beginning cash balance	2,615	1,446	353	3,282	2,604	1,984	692	3,682	4,907	2,456
Total change in cash	-1,169	-1,093	2,995	-678	-620	-1,292	2,990	1,225	-2,451	5,529
Ending cash balance	1,446	353	3,282	2,604	1,984	692	3,682	4,907	2,456	7,984

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Up-scaling HPA First pilot plant

Market outreach program expands potential end-users

Continued market outreach has seen orders for HPA samples from:

- A large lithium-ion battery separator manufacturer in China;
- A notable Taiwanese sapphire glass manufacturer;
- A Taiwanese group testing HPA in high-purity abrasives applications;
- A US sapphire glass manufacturer placing a large (+90kg) order; and
- A South Korean based sapphire glass counterparty.

Requests for boehmite samples were also received from end-users in the US.

During the quarter, A4N progressed to the second stage of samples testing with a US manufacturer of alumina coated separators following the satisfactory assessment on all physical HPA specifications. A4N expects more orders and test work feedback from end-user in the coming months.

Demonstration scale to cater for increased order volumes

As a result of increased test samples orders and the requirement of larger samples, A4N is undertaking a 'demonstration scale' production run. This entails operating the solvent extraction, salt crystallisation and pre-cursor circuit at higher production rates. Assays confirmed that the SX circuit could operate successfully at twice the flow rate of previous trials. A pellet press and sintering kiln were also acquired and commissioned.

Following trial operations of the HPA pre-cursor circuit at demonstration-scale, 100% alpha form HPA was produced assaying at 99.998%. These results signify the ability for the HPA First process to maintain high purity levels as processing scale is increased.

High purity gamma-alumina

Adaption of the HPA First Process has successfully yielded high purity gamma-HPA, at purity levels up to 99.997%. This new HPA product varies from other forms of HPA produced from the Pilot Plant and is characterised by its lower density and specific surface area (SSA). These characteristics are sought after as a catalyst in phosphors and certain sapphire glass applications, as well as its application in lithium-ion battery coating techniques.

Alpha HPA Ltd summary

Company description

A4N's HPA First Project is aiming to supply high-purity alumina (HPA) at a purity of greater than 99.99% (or 4N) to the lithium ion battery and light emitting diode (LED) manufacturing sectors. The project's proprietary technology is expected to disrupt incumbent HPA production through significantly lower unit costs. Results of a definitive feasibility study (DFS) announced in March 2020 outlined a 10,000tpa 4N HPA project with a capital cost of \$308m and pre-tax annual cash flow of \$133-280m at 4N HPA prices ranging US\$15,000-25,000/t (prices are currently around \$24,000/t).

HPA First is a solvent extraction process using an aluminium chemical feedstock purchased on globally traded markets. Orica Ltd (ORI) and A4N are advancing a definitive agreement for ORI's supply of process reagents and for by-product offtake. This agreement has required significant third party due diligence of the HPA First process. A 20-year partnership between A4N and ORI is being considered.

Investment thesis: Speculative Buy, Valuation \$0.35/sh

Our Buy, Speculative recommendation is supported by the potential for A4N's HPA First Project to generate significant free cash flow through supplying 4N HPA to the high-growth lithium ion battery manufacturing sector. The HPA First technology has passed rigorous due diligence by third party technical consultants and through the partnering process with ORI. A4N provides value leverage to the electric vehicle and renewable energy sectors. Our A4N risked and diluted A4N valuation is \$0.35/sh (previously \$0.36/sh).

A4N is a development company with prospective operations and cash flows only. Our Speculative risk rating recognises this higher level of risk and volatility of returns.

Valuation methodology

We have modelled the HPA First Project using assumptions consistent with the March 2020 DFS. We have employed a blended valuation of:

- EV/EBITDA multiple applied to steady state earnings, discounted to present value, less a capital cost assumption; and
- NPV of a 20 year project (consistent with expected ORI agreement).

Other adjustments to our valuation include:

- A 30% risk discount to account for project stage;
- An allowance for corporate and administration costs;
- The conversion of in-the-money options; and
- A \$5m capital raise before the end of 2020 at a 15% discount to the current share price for corporate working capital purposes.

Risks

Risk to an investment in A4N include, but are not limited to:

- **Commodity price and exchange rate fluctuations.** The future earnings and valuations of development and operating assets and companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Technology:** Projects may be reliant on commercialisation of new production processes and methodologies which have yet been proven on a large scale. Technology may be replicated by competitors resulting in a loss of market share.
- **Infrastructure access.** Projects are reliant upon access to transport and pipeline infrastructure. Access to infrastructure is often subject to contractual agreements, permits and capacity allocations. Agreements are typically long-term in nature. Infrastructure can be subject to outages as a result of weather events or the actions of third party providers.
- **Operating and capital cost fluctuations.** Markets for raw material inputs and labour can fluctuate and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to commodity and labour markets. Companies are also exposed to costs associated with future land rehabilitation.
- **Sovereign risks.** Companies' assets are subject to the sovereign risk of the country of location and may also be exposed to the sovereign risks of major offtake customers.
- **Regulatory changes.** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuations of companies.
- **Environmental risks.** Companies are exposed to risks associated with environmental degradation as a result of their production processes.
- **Operating and development risks.** Companies' assets are subject to risks associated with their operation and development. Development assets can be subject to approvals timelines or weather events, causing delays to commissioning and commercial production.
- **Occupational health and safety (OH&S) risks.** Companies are exposed to OH&S risks.
- **Funding and capital management risks.** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments and managing debt repayments.
- **Merger/acquisition risks.** Risks associated with value transferred during merger and acquisition activity.
- **Impact of pandemic infection such as Coronavirus disease (COVID-19).** This may have an adverse impact on the macro economic factors, including the mobility of labour, which can impact asset valuations.

Table 2 - Financial summary

Date	28/07/20						Bell Potter Securities							
Price	A\$/sh	0.22					Stuart Howe (showe@bellpotter.com.au, +61 3 9235 1856)							
Valuation	A\$/sh	0.35												
PROFIT AND LOSS							FINANCIAL RATIOS							
Year ending 30 June	Unit	2020e	2021e	2022e	2023e	2024e	Year ending 30 June	Unit	2020e	2021e	2022e	2023e	2024e	
Revenue	\$m	-	-	-	57	197	VALUATION							
Expenses	\$m	(6)	(2)	(2)	(30)	(74)	EPS	Ac/sh	(1)	(0)	(1)	(0)	6	
EBITDA	\$m	(6)	(2)	(2)	27	123	EPS growth (Acps)	%	na	na	na	na	na	
Depreciation & amortisation	\$m	-	-	(8)	(16)	(16)	PER	x	-22.4x	-99.2x	-16.3x	-390.6x	3.9x	
EBIT	\$m	(6)	(2)	(10)	11	107	DPS	Ac/sh	-	-	-	-	3.0	
Net interest expense	\$m	-	-	(6)	(12)	(12)	Franking	%	0%	0%	0%	0%	0%	
Profit before tax	\$m	(6)	(2)	(16)	(1)	95	Yield	%	0%	0%	0%	0%	14%	
Tax expense	\$m	-	-	-	-	(29)	FCF/share	Ac/sh	(0.9)	(11.8)	(19.6)	(0.8)	3.6	
NPAT (reported)	\$m	(6)	(2)	(16)	(1)	67	FCF yield	%	-4%	-54%	-89%	-4%	16%	
NPAT (adjusted)	\$m	(6)	(2)	(16)	(1)	67	EV/EBITDA	x	-23.6x	-70.9x	-70.9x	5.2x	1.2x	
CASH FLOW STATEMENT							LIQUIDITY & LEVERAGE							
Year ending 30 June	Unit	2020e	2021e	2022e	2023e	2024e	Net debt / (cash)	\$m	(2)	(52)	178	188	180	
OPERATING CASH FLOW							Net debt / Equity	%	-42%	-33%	124%	131%	103%	
Receipts from customers	\$m	1	-	-	45	169	Net debt / Net debt + Equity	%	-71%	-48%	55%	57%	51%	
Payments to suppliers and employees	\$m	(5)	(3)	(2)	(27)	(70)	Net debt / EBITDA	x	0.3x	26.0x	-88.8x	6.9x	1.5x	
Tax paid	\$m	-	-	-	-	(29)	EBITDA / net int expense	x	0.0x	0.0x	-0.3x	2.3x	10.2x	
Net interest	\$m	-	-	(6)	(12)	(12)	PROFITABILITY RATIOS							
Other	\$m	-	-	-	-	-	EBITDA margin	%	na	na	na	48%	62%	
Operating cash flow	\$m	(4)	(3)	(8)	7	59	EBIT margin	%	na	na	na	20%	54%	
INVESTING CASH FLOW							Return on assets	%	-107%	-2%	-6%	0%	18%	
Capex	\$m	(1)	(104)	(222)	(16)	(16)	Return on equity	%	-136%	-2%	-10%	0%	42%	
Acquisitions	\$m	-	-	-	-	-	ASSUMPTIONS - Prices (nominal)							
Other	\$m	-	-	-	-	-	Year ending 30 June	Unit	2020e	2021e	2022e	2023e	2024e	
Investing cash flow	\$m	(1)	(104)	(222)	(16)	(16)	4N HPA price	US\$/t	20,000	20,000	20,000	20,000	20,000	
FINANCING CASH FLOW							4N HPA price	A\$/t	29,100	28,571	27,586	27,211	27,027	
Debt proceeds/(repayments)	\$m	-	-	200	-	-	FX	US\$/A\$	0.69	0.70	0.73	0.74	0.74	
Dividends paid	\$m	-	-	-	-	(35)	ASSUMPTIONS - Sales (equity)							
Proceeds from share issues (net)	\$m	7	157	-	-	-	Year ending 30 June	Unit	2018a	2019a	2020e	2021e	2022e	
Other	\$m	-	-	-	-	-	4N HPA sales	kt	-	-	-	2.10	7.30	
Financing cash flow	\$m	7	157	200	-	(35)	VALUATION - BASE CASE							
Change in cash	\$m	1	50	(30)	(10)	7	HPA First Project (unrisked)							
Free cash flow	\$m	(5)	(107)	(230)	(10)	42	Multiple valuation (EV/EBITDA) x / \$m						6.5x	367
BALANCE SHEET							NPV \$m							
Year ending 30 June	Unit	2020e	2021e	2022e	2023e	2024e	Blended project value (50% NPV, 50% EV/EBITDA) \$m						357	
ASSETS							Risk discount to account for project stage % / \$m						30%	(107)
Cash	\$m	2	52	22	12	20	PV future corporate / admin expenses \$m						(17)	
Receivables	\$m	-	-	-	11	39	A4N risked EV							233
Inventories	\$m	1	0	0	3	7	Assumed capital raise \$m						\$5.0m	
Capital assets	\$m	4	107	321	322	322	Assumed raise price \$/sh (15% discount)						\$0.19/sh	
Other assets	\$m	0	0	0	0	0	Current shares on issue m						680	
Total assets	\$m	6	160	344	349	389	In the money options m						27	
LIABILITIES							Assumed capital raising dilution m						27	
Creditors	\$m	2	0	0	6	15	Diluted shares on issue m						734	
Borrowings	\$m	-	-	200	200	200	Net debt / (cash) (including options & raising) A\$m						(18)	
Provisions	\$m	-	-	-	-	-	Equity value (risked, diluted) \$m						251	
Other liabilities	\$m	-	-	-	-	-	Equity value (risked, diluted) \$/sh						0.35	
Total liabilities	\$m	2	0	200	206	215								
NET ASSETS	\$m													
Share capital	\$m	41	197	197	197	197								
Reserves	\$m	2	2	2	2	2								
Accumulated losses	\$m	(38)	(40)	(55)	(56)	(25)								
Non-controlling interest	\$m	(0)	(0)	(0)	(0)	(0)								
SHAREHOLDER EQUITY	\$m	5	159	144	143	174								
Weighted average shares	m	610	901	1,171	1,171	1,171								

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

Research Team

Staff Member	Title/Sector	Phone	@bellpotter.com.au
TS Lim	Head of Research/Banks	612 8224 2810	tslim
Analysts			
Lafitani Sotiriou	Diversified Financials/Fintech	613 9235 1668	lsotiriou
John Hester	Healthcare	612 8224 2871	jhester
Tanushree Jain	Healthcare	612 8224 2849	tnjain
Elyse Shapiro	Healthcare	613 9235 1877	eshapiro
Steven Anastasiou	Industrials	613 9235 1952	sanastasiou
James Filius	Industrials	613 9235 1612	jfilius
Sam Haddad	Industrials	612 8224 2819	shaddad
Alex McLean	Industrials	612 8224 2886	amclean
Hamish Murray	Industrials	613 9235 1813	hmurray
Chris Savage	Industrials	612 8224 2835	csavage
Jonathan Snape	Industrials	613 9235 1601	jsnape
Damien Williamson	Industrials	613 9235 1958	dwilliamson
Peter Arden	Resources	613 9235 1833	parden
David Coates	Resources	612 8224 2887	dcoates
Stuart Howe	Resources	613 9235 1856	showe
Associate			
Joseph House	Associate Analyst	+61 3 9235 1624	jhouse

Bell Potter Securities Limited
ACN 25 006 390 7721
Level 29, 101 Collins Street
Melbourne, Victoria, 3000
Telephone +61 3 9256 8700
www.bellpotter.com.au

Bell Potter Securities (HK) Limited
Room 1701, 17/F
Prosperity Tower, 39 Queens Road
Central, Hong Kong, 0000
Telephone +852 3750 8400

Bell Potter Securities (US) LLC
Floor 39
444 Madison Avenue, New York
NY 10022, U.S.A
Telephone +1 917 819 1410

Bell Potter Securities (UK) Limited
16 Berkeley Street
London, England
W1J 8DZ, United Kingdom
Telephone +44 7734 2929

The following may affect your legal rights. Important Disclaimer:

This document is a private communication to clients and is not intended for public circulation or for the use of any third party, without the prior approval of Bell Potter Securities Limited. In the USA and the UK this research is only for institutional investors. It is not for release, publication or distribution in whole or in part to any persons in the two specified countries. **In Hong Kong**, this research is being distributed by Bell Potter Securities (HK) Limited which is licensed and regulated by the Securities and Futures Commission, Hong Kong. **In the United States**, this research is issued and distributed by Bell Potter Securities (US) LLC which is a registered broker-dealer and member of FINRA. Any person receiving this report from Bell Potter Securities (US) LLC and wishing to transact in any security described herein should do so with Bell Potter Securities (US) LLC.

This is general investment advice only and does not constitute personal advice to any person. Because this document has been prepared without consideration of any specific client's financial situation, particular needs and investment objectives ('relevant personal circumstances'), a Bell Potter Securities Limited investment adviser (or the financial services licensee, or the representative of such licensee, who has provided you with this report by arrangement with Bell Potter Securities Limited) should be made aware of your relevant personal circumstances and consulted before any investment decision is made on the basis of this document.

While this document is based on information from sources which are considered reliable, Bell Potter Securities Limited has not verified independently the information contained in the document and Bell Potter Securities Limited and its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information contained in this document is complete or accurate. Nor does Bell Potter Securities Limited accept any responsibility for updating any advice, views opinions, or recommendations contained in this document or for correcting any error or omission which may become apparent after the document has been issued.

Except insofar as liability under any statute cannot be excluded. Bell Potter Securities Limited and its directors, employees and consultants do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this document or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this document or any other person.

Research Policies:

For Bell Potter's Research Coverage Decision Making Process and Research Independence Policy, please refer to our company website:

<https://bellpotter.com.au/research-independence-policy/>

Disclosure of interest:

Bell Potter Securities Limited, its employees, consultants and its associates within the meaning of Chapter 7 of the Corporations Law may receive commissions, underwriting and management fees from transactions involving securities referred to in this document (which its representatives may directly share) and may from time to time hold interests in the securities referred to in this document.

ANALYST CERTIFICATION

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers and were prepared in an independent manner and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.