PLANET MICROCAP REVIEW

WINTER 2024/2025

M&A in MicroCaps

What's Happening?
Who's Buying?
Why Now?

IN THIS ISSUE:

PROFILED COMPANIES

PLANET MICROCAP SHOWCASE

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PLANET MICROCAP REVIEW

In Loving Memory of Our Precious Daughter, and Sister, Sammi Kane Kraft

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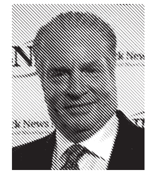


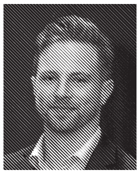
Every market is blowing through recent highs, at publishing Bitcoin is near $100,000, the Dow & S&P are breaking record highs daily, Nasdaq new high after new high but what about the MicroCap market? High tide floats all boats so we're seeing some upticks. One gauge is the rise in new IPOs, and higher prices and greater volume bringing an increase such financings as registered directs and ATMs so funding is happening. As 2024 ends the IPO calendar is heating up. A new administration coming into Washington DC which appears to be bullish for Wall Street and concerns over the economy seem on hold right now. MicroCaps tend to survive and thrive in their own bubble but perhaps the old adage of the "trickle down affect" is creating buying in MicroCaps as the overbought frothing large & mid-caps see profit taking and quality emerging growth technology companies become new darlings. As MicroCaps are generally lower priced stocks many investors doing their homework can discover undiscovered companies to accumulate for their portfolios as opposed to buying Tesla. Quality companies are out seeking deep dive value microcap investors which is getting easier as they are producing newsletters, podcasts and participate in conferences like Planet MicroCap Showcase to engage with quality management teams in person.

We talk a lot about building wealth and seizing opportunities when they present themselves. We will look to continue to introduce our readers, followers, podcast subscribers, and event attendees with intriguing opportunities for their evaluation and deep dive value investing.

This issue includes a series of articles focused on the Exchange's Delisting of many microcap issuers and also several Q&A style interviews with both C-level management of public companies and many service providers hoping to hone in on many of your FAQ's.

As always thank you for your support throughout the years and have a great Happy Healthy and Wealthy New Year!

—Shelly Kraft, Founder
SNN Incorporated



Everyone will make an argument that 2024 was the year of this, it was the year of that, and it most definitely depends on who you talk to. Services providers would likely say that IPOs are back baby, Canadian fund managers will say M&A was hot and not slowing down, and on and on. In this issue, while the front cover highlights M&A, which in my opinion was the most prescient topic that needs to thoroughly covered and examined (as we do in this issue), there were many trends that we tried to encapsulate, including: de-listings, indexing, and more! Your guess is as good as mine as to what 2025 will bring, but I can guarantee, it won't be boring. Questions abound: will lower rates result in more speculation? Will lesser quality companies raise inordinate amounts of money because they are somehow associated with drones, nuclear, AI or quantum? Will institutions wake up and figure out where retail has gone (I know where they went)? Will they care?

The MicroCap ecosystem continues to evolve, and we're your resource to sift through the noise, at least we try to be (it can be quite loud). Thank you for your support and readership, and look forward to your feedback on this Winter 2024/2025 issue.

And, be sure to save the dates, April 22-24, 2925, for our annual Planet MicroCap Showcase in Las Vegas at the Paris Hotel & Casino. We've partnered with Microcapclub, the largest MicroCap investing community in the world. Long story short, if you're reading this magazine, this a must-attend event if you're even remotely interested in MicroCap investing. The best investors, the best companies, all congregating in one place. I'll see you in Vegas!

—Robert Kraft, Host & CEO
Planet MicroCap

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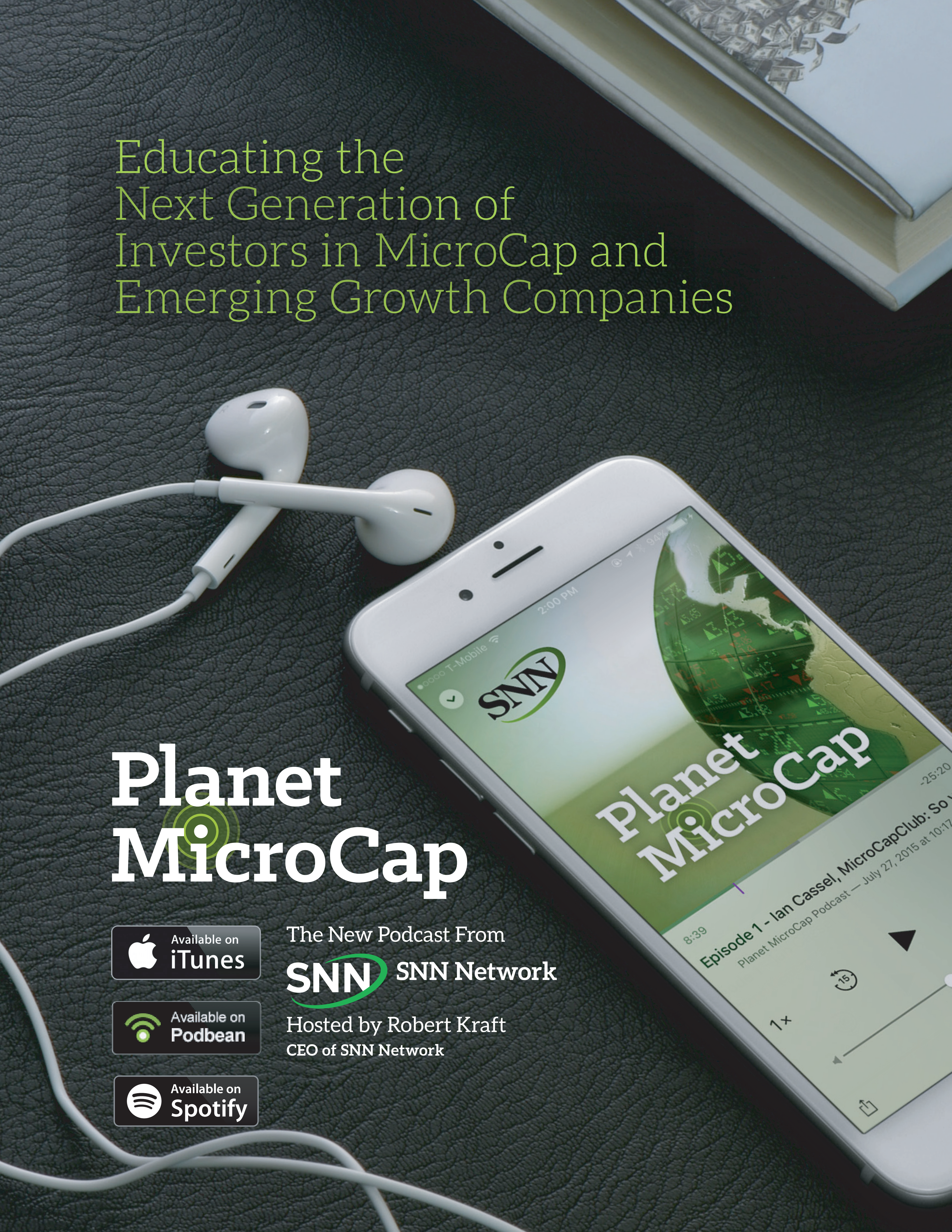
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REMEMBERING SCOTT ARNOLD

Scott Arnold was an authentic person whose actions and words were admired by those that he came into contact with. He was ethical, smart, and had a great sense of style. He found his business success in the competitive world of investor relations from his large list of professional business contacts that he gathered over his years in the business. His many clients often became his friend. He was engaging, had a confident low-key personality and a high energy, positive nature about him believing that through hard work everything and anything could be made into a success. In fact, if you called Scott's cell phone and he either picked it up on the first ring or called you back within minutes! Who does that? Well Scott did!

Scott's work priority was people and relationships and meeting him just once made it clear why he excelled at his chosen profession. He was a highly thought of Partner and member of the CoreIR management team and Executive Account Manager and well known for his quality work throughout the industry and his peers.

" Family first," was his best quality to those who knew him well. People meeting Scott would soon find out that his wife Lisa, and their 3 kids Noah, Shane and Gigi were his top priority and his passion. His family unit supported him and contributed to his successes. He traveled extensively for his clients, but he was never too tired, or too occupied not to be an active part in their daily lives. Many that knew him through the years also knew of his love and commitment to his siblings Matt, Brent and Kelly, and when his father Jerry passed 6 years ago Scott became the unassuming patriarch of the Arnold family.

Scott Arnold was an observant and faithful man, never judgmental or proud but always humble. When his oldest son Noah passed away tragically 3 years ago, Scott was the pillar to lean on for his family, friends and loved ones who too were suffering. Scott would often say, "Noah had been called 'mini-me" due to the striking resemblance in both looks and mannerisms of Scott. Noah's passing left a huge empty void in the Arnold family that Scott's love tried to fill every day.

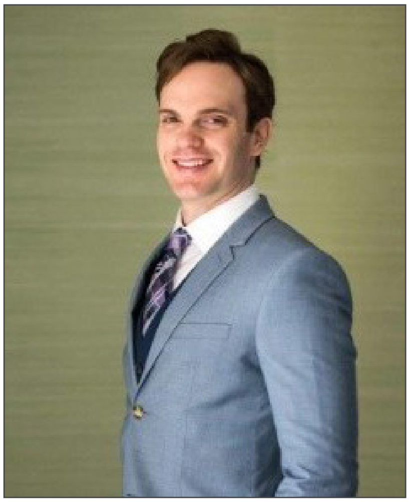

Scott Arnold, 1974-2024

Scott Arnold was a good friend to so many and a solid leader who always led by example and he was the quintessential "people person". He was kind, caring and had a huge heart. Scott is missed and will continue to be missed, he was one of a kind and one of the very good guys!

THE PRIVATE EQUITY AND EQUITY APPROACH

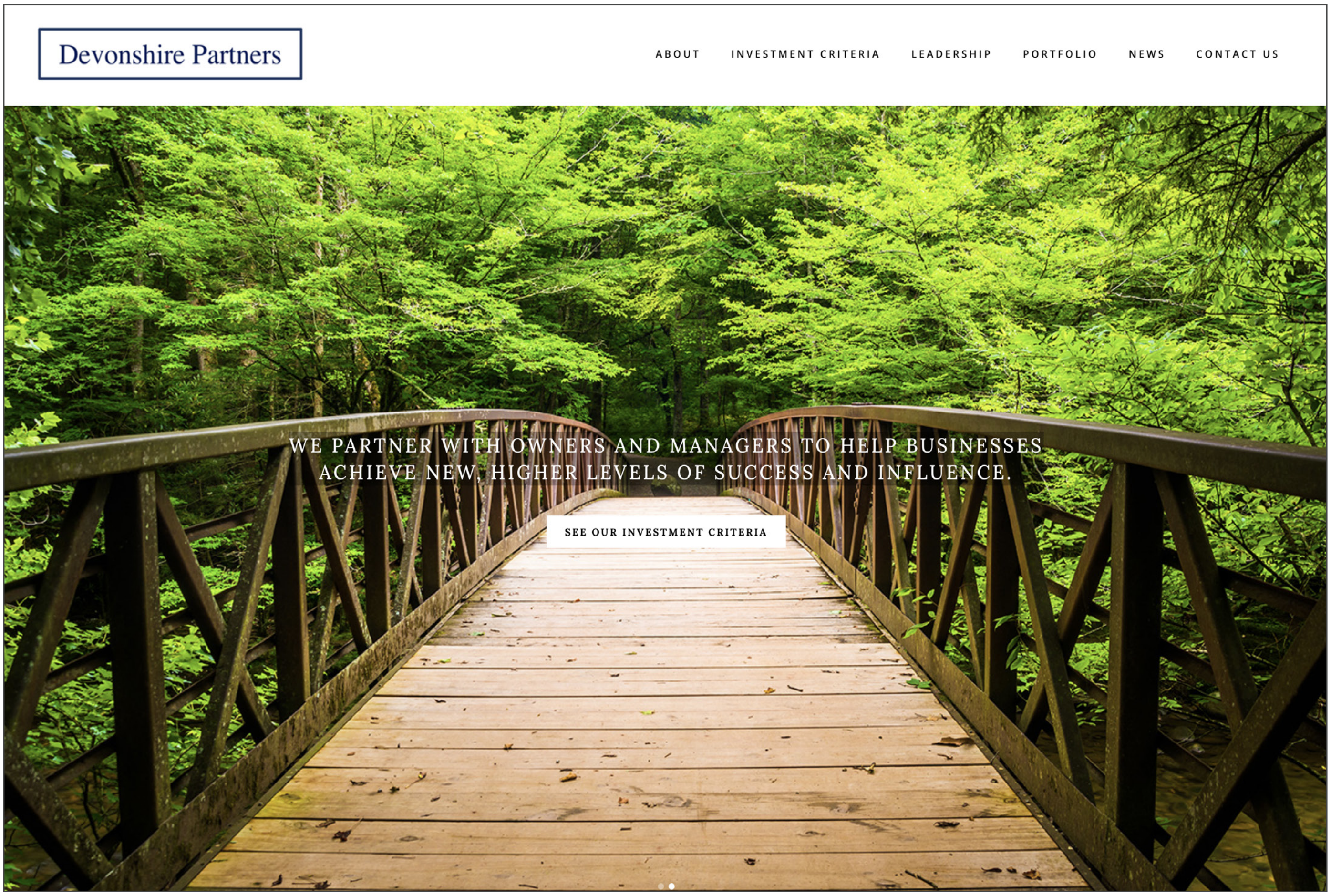
THE DEVONSHIRE STRATEGY WITH BEN CLAREMON, PARTNER AT DEVONSHIRE PARTNERS

LET'S START AT A HIGH LEVEL, HOW DID WE GET TO THIS POINT WHERE PRIVATE EQUITY, STRATEGIES, SMALL/LARGE CAPS ARE ACTIVELY LOOKING AND SCOOPING UP MICRO/NANOCAPS?


Ben Claremon

I could probably write an entire essay on this topic. But I will try to give a brief overview of the major elements at play here, ones that have created a situation where microcaps can remain undervalued for long stretches of time—and thus attract the attention of PE investors. First, there have been some meaningful changes to the potential investor base for microcap companies. I was listening to a podcast with Brian Bares of Bares Capital Management, who started his firm with a microcap-focused strategy. If memory serves, he started in the late 1990s or early 2000s and he was able to attract capital from endowments and foundations. In other words, microcap was an institutional strategy back then. What a difference 25 years makes. These days, I would argue that microcap is not a space where large asset owners can play. If you run a $20 billion endowment, you want to write $100 million-plus checks to investment managers. In microcap, that amount can be the manager's entire capacity—and very few LPs want to represent 100% of a manager's AUM. That number probably caps out at 33% and a lot of asset owners want to invest in a strategy that can scale. Microcap strategies, by definition, cannot. That assumes that the managers who espouse on podcasts like Planet MicroCap and Compounders the desire to cap their asset bases—so they can continue to invest in the smallest companies—do so with the utmost sincerity. But if firms do get to $200 million or more in AUM, they grow out of nanocap—like Brian Bares did—and the companies in that space become untouchable.

On top of what I see as a s structural shift in demand away from microcap strategies, there is the issue of performance. If you go onto Russell's site, you will see that the Russell Microcap index is the worst performing domestic index over every long time period. Furthermore, the S&P 500 has trounced just about every global equity index over the last decade. Asset flows inevitably follow performance and since everything large has crushed everything small, the flows have gone into larger vehicles that can absorb more capital. In addition, my guess is that when it comes to the asset owners who are sympathetic the idea that investing in small companies that are ignored by larger investors can generate outperformance, those investors shifted capital away from public markets to the lower middle market private equity managers. Once capital shifts to private markets, where neither the manager nor the asset owner has to mark assets down even as public equity markets decline, it takes a long time to come back to public markets, if ever.



There are a couple of other things to mention as well. First, there are not many IPOs of quality small companies with a valuation that puts them squarely in the microcap realm. Companies are staying private much longer and are becoming public much larger. If a company decides to IPO with a $100 million valuation, there is a risk that there is a stigma placed on that company. It used to be that going public was a triumphant sign that a company had earned the right to be public—and there was some cachet associated with that. These days, with the amount of capital available in the private markets, there is no reason for companies to become public. I think what that creates is a situation in which investors question why a company is public—almost as it if is a sign that there is something wrong with the business. The main reason microcap is a four-letter word to a lot of investors is the perception that these companies are either frauds, management promotion schemes or operate a fundamentally broken or impaired business model. In other words, fishing in the microcap pond is akin to adverse selection, so why even spend any time there?

All of these generalizations and what I would argue are also misconceptions, lead public most equity investors, lower middle market PE investors and asset owners to stay away from microcap. And therein lies the opportunity for contrarian investors, both public and private, to dig deep into the space to find the best businesses, many of which trade at lower multiples than would their private company comps. What used to be a public company premium in some cases has flipped to be a public company discount. That is why we see private equity activity starting to pick up in this space. Now, I would argue we are in the very early innings of this process. The market has witnessed a bunch of take privates in Canada, many of which were of software and technology companies. Aside from a few MBOs, I have not seen a lot of activity in the industrial, business services or consumer sectors. That is where Devonshire plays best and sees the most opportunities, not in just take-privates but in other forms of providing capital in situations where there is no liquidity, limited-to-no access to equity on reasonable terms and a dearth of large check writers.

WHY HAS THERE BEEN A STRUCTURAL LACK OF GROWTH CAPITAL AVAILABLE TO MICROCAP COMPANIES IN THE US?

The answer to this question is inextricably tied to the dynamics described in the previous question. The reasons that some PE firms have taken notice of the opportunities in the microcap space are that valuations remain depressed and that competition for private deals for companies of a similar size has gotten intense. So, it makes sense that investors with a contrarian bent would look for a space that had been abandoned by the institutional investment community. But that doesn't have to only be in the form of a take-private. If you talk to people who are active investors in microcap companies, you get the sense that the PIPE market has changed as well. The same hollowing out of the investor base that I discussed above has created a situation where there is a limited number of investors who can write a big equity check to help a company grow. The common refrain you hear is that the cost of capital associated with PIPEs is very high when you include the banker's fees, the warrants, and the typical discount to the stock price that is required to entice investors to do the deal.

Additionally, the investors who are willing to provide capital at those onerous terms are also likely to flip the stock the second their lockup period expires. So, it is not like the companies are getting capital from long-term oriented investors who are employing a private equity in public markets strategy. The risk is that the stock gets punished when the lock-up period expires and the company, if it needs to raise capital again, is back in a position where it has to further dilute. This creates a self-reinforcing negative cycle that can really impair the equity. That is why Devonshire positions itself as a friendly, long-term player who can help grow a business as a private company—or as a public company via a PIPE that doesn't come with a punch in the face. It all goes back to Devonshire's desire to create a premium brand in the microcap space. Some of the capital providers that remain get labeled as predators and we want to be the antithesis of that. We want to be stable partners who come armed with experienced operating partners, deep experience in governance and capital allocation, as well as patient LPs who get what we are doing.

There is no question that many of the companies who would love to Devonshire to provide capital to them on reasonable terms are precisely the ones we should avoid. There are plenty of companies that perpetually lose money and need to raise capital to keep the lights on. We frankly will not be able to invest in those companies. However, to embark on the journey we are on, you kind of have to believe that within the sea of microcaps there are businesses with secular tailwinds and structural growth opportunities that are either locked out of capital markets entirely or the cost is so prohibitive that they have not been willing to accept the potential dilution. High return, growing companies with bad balance sheets and companies that are pursuing a transformational acquisition are candidates for Devonshire's strategy.

Having said all of that, we remain highly cognizant that the stereotypes of microcaps are often accurate. The are thousands of public companies with markets caps below $100 million that reside in the US and Canada. My perception, after having met with 100s of these companies during my career, is that only a small fraction of these (10% or less) are actually investable. But that universe of real companies can be narrowed down by simply using a few profitability screens within CapIQ or Bloomberg. We have narrowed down that universe to the companies that fit our strict criteria. However, we are interested in meeting management teams of companies that don't screen well. If there is one thing I have learned about microcap companies, it is that you can tell very little about what is going on by simply looking at the stated financials. The backstory is incredibly important. Maybe a new management team has come in. Maybe they divested a money losing business. Maybe the controlling shareholder has not been willing to invest in the business but growth opportunities abound. You have to do the work to find the companies that are deserving of a large investment, and we are knee-deep in that relationship building and diligence process as we speak.

WHERE DID THE IDEA FOR DEVONSHIRE'S STRATEGY COME FROM?

Before joining Devonshire Partners earlier this year, I spent 15 years in public markets, with most of that time focused on small cap, SMID cap and microcap. The most formative experiences occurred when I was working at Cove Street Capital, a long-only public investment firm located in LA. It was there

The opportunity cost of the time spent on quarterly calls and filings, audits, engaging with the sell-side, speaking to investors and attending conferences, is extraordinarily high.

that I was exposed to small cap suggestivism (bordering on true activism) and saw the opportunities to provide capital and liquidity to small companies that could not access it readily or at a cost that was not exorbitant. Specifically, on a number of occasions, Cove Street had the opportunity to raise a special purpose vehicle to buy large stakes in public companies. In one particular case, the CEO of a company where Cove Street was a top holder called us and informed the team that the founder—who owned about a third of the shares—was ill and was hoping to sell his shares. The CEO told us he wanted us to buy the shares and we embarked on a journey to try to raise a $200mm+ check. In a negotiated transaction like the one we were contemplating, Cove Street would have received board seats, and we probably would have had effective control of the company, given the size of the holding.

At the end of the day, we were unable to close the transaction. But the experience crystallized in my mind the opportunity to build a firm that could be a large check writer in the small cap and microcap universe. If you fast forward a few years, we are executing that strategy at Devonshire right now. There are several key reasons why we have decided to focus on microcap to start. First, as mentioned above, the fact that microcap is no longer an institutional investment strategy that is funded by endowments and foundations, means the number of sophisticated investors who are paying attention to microcaps has diminished significantly. That dynamic has left many of these companies perpetually undervalued and underappreciated. On top of that, few of the remaining players have the ability to invest $5mm to $25mm in a single transaction. As Cove Street found out, you need the right structure to be able to truly run a private equity in public markets strategy.

What all of this means is that there is room for Devonshire to run a differentiated strategy by focusing on microcaps, many of which no longer benefit from being public. It is no secret that being public is expensive for small companies—relative to the revenues and EBITDA. However, what is not discussed anywhere near enough is how much time the C-suite members spend attending to things that only have to do with being public. The opportunity cost of the time spent on quarterly calls and filings, audits, engaging with the sell-side, speaking to investors and attending conferences, is extraordinarily high. This precious time that could be spent helping grow their businesses organically, developing their employees, or searching for acquisitions is spent on low value activities. When I speak to microcap executives, I typically hear that the CFO and CEO spend anywhere from 33% to 50% of their time on things that only are required because the company is public. To make a very long story short, Devonshire sincerely believes that the cost of capital for these companies in public is higher than it would be if they were private—that is if they could even access the capital via the public market. On the other hand, in the lower middle market private equity world there is tons of capital available to companies of the same size. All of this suggests that there is a huge number of companies that should be taken private, and Devonshire is building a brand that aims to be the partner of choice for management teams that no longer see the benefit of the public listing and are interested in considering a management-led buyout.

CAN YOU OUTLINE DEVONSHIRE'S STRATEGY?

In the prior responses, I have hinted at the strategy so I will be succinct here. If anyone wants to read the very long version of this, I posted what is really our investment treatise on my Substack. On the public company side of the house, the goal is to develop relationships with the management teams of the companies we think mostly highly of. I tell those people that we want to be helpful and that I recognize that could be now, in six months or in three years. How exactly can we be helpful? Here are the three ways, with some examples:

1. **Providing friendly PIPEs.** As an example, we are in discussions with the management of a compelling, real business that went public as a SPAC and has a nasty piece of debt that is com-

ing due soon. In this situation, we could provide a friendly source of capital that relieves the debt burden, takes pressure off of the equity, and gives the company the ability to invest in the business—in a transaction that would give us an almost controlling stake in the company.

2. **Offering liquidity to a large or controlling stake in a public company from a selling founder, CEO, or other large shareholder.** This type of opportunity was discussed above in Question #3. We are currently in negotiations to buy out the largest shareholder of a cash flowing generating, natural monopoly that actually has a valuation whereby the stock could be used as a currency.

3. **Executing on a microcap take-private.** As referenced above, every quarter, we have dozens of meetings with microcap CEOs who quite frankly no longer see the benefit of being public. It is expensive and incredibly time-consuming. We continue to have fruitful take-private conversations and have even created an educational presentation we can share with management that contains context for how process would look and feel like—as well as the benefits and potential tradeoffs associated with take-privates.

It might take a while to find something actionable—because of how selective we have to be—but we are playing the long game when it comes to these relationships and opportunities. In all three cases, we are looking for situations where our capital and our involvement create an unlock, loosely defined as something materially positive that would not have been achievable absent change in structure, capital infusion, or change in their shareholder base. If people reading this have ideas for us about ways we can be helpful with the companies they know the best, please feel free to reach out to me anytime.

WHY DO YOU THINK NOW IS THE RIGHT OPPORTUNITY FOR THIS STRATEGY TO POTENTIALLY WORK AND CREATE VALUE FOR YOUR LPS AND SHAREHOLDERS?

I think the best way to answer this is to lay out the setup we see and then discuss a few potential reasons we may not be successful despite the favorable backdrop. It is incumbent on us to recognize that we are building something that has elements of differentiation but in a space that is somewhat maligned. So, we certainly don't want to suggest that the following elements will lead to inevitable success. We think they just stack the odds in our favor. For any investor in any asset class, that is all you can really do.

- The previously mentioned changes in the institutional investor base have reduced professional competition present in microcap.
  - Within that, most of the remaining players in the space run capital constrained strategies where their goal is to write a bunch of small checks to build a diversified portfolio, thus limiting their ability to raise or deploy capital for the types of opportunities Devonshire is pursuing.
  - In addition, the majority of the lower middle market private equity firms we come across either do not have the expertise or the desire to invest in public companies. We hear over and over again that it is perceived to be too hard. Either that, or their specific mandate is to only invest in private businesses. In that way, the logical competitors who have access to capital and can write bigger checks are often on the sidelines.
  - On top of that, as a lot of public-equity-only firms find out when they become activists or try to buy a company, what works when you are flying at 10,000 feet does not always work when you are trying to land the plane. Devonshire has experience in buying and improving companies after we own them. That can be beneficial whether we are buying into a public company or executing a take-private.
- The relative underperformance of microcap versus everything else in US equities, both public and private, has created a situation where there are fewer people willing to execute full diligence processes on these businesses;
- One thing that has kept institutions away from microcap is the lack of scalability; however in the case of Devonshire's Microcap Opportunities strategy, that fact that we are looking to write a series of larger checks allows for LPs to put meaningful capital to work.
- We don't see a lot of participants with the specific goal of building a premium brand in the space. Our big, hairy, audacious goal is to become the partner of choice for companies

and selling shareholders. We may never get there but there is a lot of whitespace in front of us.
- In the microcap space, flexibility is paramount. You don't want to be the person with the take-private hammer looking for nails. Some companies should stay public. Other companies should go private to cut the public company costs and reduce the strain on management. Having a strategy that allows us to look at each situation case-by-case to determine the highest return investment is beneficial and may be a differentiator, primarily because certain private equity firms may not be interested in keeping a company public.
- There are lots of good businesses in microcap that trade at very reasonable valuations, partially because of the lack of liquidity and partially because they are small companies that are perceived to be substandard. Being a liquidity or a capital provider to those companies, especially if we can cut some public company costs in the process, presents Devonshire with the opportunity to establish a large margin of safety.
- When we talk to microcap company CEOs, even the successful ones worry that if they invest too much in their businesses that it impacts the optical margins or their EBITDA/earnings, their stock is going to be punished by the market. The difference in timeframes between a company-building CEO and the Wall Street community can be quite stark. As such, executives may be loath to make the long-term investments they need to pursue because of the public company pressures. It stands to reason that if some of these companies were relieved of that burden, growth and value creation may be able to accelerate.

To summarize, if an investor is fishing in a neglected pond that has quality, growing businesses that trade at reasonable valuations, the opportunity for sustainable outperformance exists, especially if the investor can improve upon the businesses post transaction. On the flip side, there are a number of things we are constantly being mindful of:

- Companies that want our capital might be the worst candidates for our investment—and the companies who we would love to own don't need our capital.
- Large shareholders might be selling not because of their age or to access liquidity, but because there is a fundamental problem in the business. We must remember that selling out is a signal and that motivations matter.
- Executing take-privates is indeed hard. There is a reason that most investors don't want to go into a process where any number of the other constituents in a process—outside shareholders, Board Members, proxy advisory firms, etc.—can throw a monkey wrench into the deal. When you combine that with the legal costs and the number of regulatory steps that need to be taken, there is a risk of broken deals and expenses that eat into the returns of the underlying investors.
- Hybrid strategies like the one we are running at Devonshire don't fit in most allocator's boxes. Is it private equity or public equity? It is both—and there are certain investors who won't be comfortable with that.

I would also be remiss if I didn't share some content from the Compounders podcast that references the setup when it comes to microcap companies in the US and Canada. I think my interviews with Adam Wilk of Greystone and Mathieu Martin of Rivemont, for example, provide a lot of context for why the opportunity to invest in microcaps is currently so compelling.

Thanks a lot for giving me the opportunity to discuss Devonshire's approach to microcap. I can be reached anytime at bclaremon@devonshirepartners.co.

Ben Claremon has worked in both private and public equity, with the majority of his career spent as an analyst and portfolio manager at Cove Street Capital, a long-only, public investing firm in Los Angeles. During his career, Ben has developed an expertise in corporate governance, especially within small and microcap companies.

Ben has worked with dozens of companies who remained perpetually undervalued and unable to reach their potential due to the structural lack of capital available to them. Ben joined Devonshire to make investments in such businesses. He is responsible for identifying, analyzing, and executing investments in both public and private markets.

Ben obtained a B.S. in Economics from the Wharton School at the University of Pennsylvania and an MBA from the Anderson School of Business at UCLA.

THE MCC PROFITABLE INDEX

IN THIS Q&A WITH MICROCAPCLUB FOUNDER, IAN CASSEL, WE SHOWCASE THE IMPORTANCE AND WOULD LIKE TO INTRODUCE THE MCC PROFITABLE INDEX TO OUR READERS

WHY DID YOU CREATE THE MCC PROFITABLE INDEX (MCCPI)?

The iShares MicroCap Index (IWC) is filled with unprofitable story stocks, so the long-term historical performance is bad. It showcases the worst of the microcap space. Many naysayers to microcap investing love to point to this underperformance. I wanted to change this negative perception, so how do we do it?

Here is a fact few people realize - 87% of all global equities that went up 1000% or more over the last 10 years were microcaps, and 82% of those were profitable.

What if we created an index of profitable microcaps? We feel our index is the most accurate reflection of the best of what microcap has to offer. It's not only a unique tracking mechanism but also a great idea generation tool for the MicroCapClub community.

WHAT EXACTLY IS THE MCCPI?

Since MicroCapClub's inception in 2011, our members have profiled 1,200+ microcap companies. The MCC Profitable Index (MCCPI) is an equal weight index of all global profitable companies (trailing twelve months aka TTM) profiled on MicroCapClub. We currently have 290 companies in the index, so it's a diversified global index of profitable microcap companies.

WHAT ARE THE CRITERIA FOR INCLUSION ON THE MCCPI AND HOW OFTEN IS IT REBALANCED? AND WHY DID YOU CHOOSE THE CRITERIA THAT YOU DID? HOW ARE COMPANIES DECIDED TO BE REMOVED?

We wanted to keep the methodology simple. We screen constituents for trailing twelve-month profitability. We equal weight all the constituents and rebalance every quarter. New companies enter every quarter that have become profitable TTM, and companies get dropped that are no longer profitable TTM. In addition, we drop companies that rise over $500 million market cap.

We'd love for this column to be a regular occurrence, we're almost at year-end, how has the MCCPI performed thus far in 2024 and have you picked up on any interesting insights since you started the Index?

THE MCCPI IS BEATING THE S&P AND NASDAQ YTD IN 2024 WHICH IS EXTRAORDINARY ACHIEVEMENT. A UNIQUE INSIGHT I'VE PICKED UP ON SINCE WE LAUNCHED THE MCCPI IS THE INDEX PERFORMS WELL ON DOWN DAYS. WHEN THE S&P AND/OR NASDAQ ARE DOWN 2-3% OVER A FEW DAYS/WEEK PERIOD THE MCCPI IS DOWN LESS. SMALL PROFITABLE MICROCAPS ARE VERY RESILIENT.

The MCCPI factsheet YTD is on the following page (as of December 16th, 2024):

MCC Profitable Index (MCCPI)		
Initial Capital	$1,000,000	
Current Value	$1,421,133	
# Companies	291	

Market Cap	# of Companies
>$200MM	83
$50-200MM	113
<$50MM	99

Geography Listing	# of Companies
United States	149
Canada	63
Europe	51
Australia/New Zealand	17
Other	11

MCCPI Performance	
Daily Return	0.18%
YTD Return	42.11%
All-Time Return	42.11%

Benchmark Performance	Daily	YTD
MCCPI	0.18%	42.11%
iShares MicroCap	1.22%	17.44%
Nasdaq	1.21%	35.59%
S&P 500	0.45%	28.09%

MCCPI Quarterly Performance	
Q1	7.06%
Q2	5.93%
Q3	15.25%
Q4	8.72%

TruGolf (NASDAQ: TRUG)

1. PLEASE START WITH AN OVERVIEW OF TRUGOLF.

TruGolf has been making golf simulation solutions for over 40 years starting with the Commodore 64, then PCs and even onto the Xbox. 20 years ago, we transitioned from mouse and keyboard golf to modern simulators and have been pioneering innovations in the industry ever since. Our latest innovations include an overhead launch monitor with onboard artificial intelligence, voice control, stereoscopic nine-axis spin and ball flight measurement, and even a laser beam. Not to mention our revolutionary new software platform, known as APEX, with dynamic cinematic quality graphics on thousands of courses in 4K quality, and integration to IBM Watsonx for automated commentary, and revolutionary training, bag mapping, and club fitting solutions to deliver on our mantra, "Golf, Easy."

2. HOW HAS THE TRUGOLF SIMULATOR ATTAINED THE MARKET SHARE IT HAS?

With a legacy like ours we have been fortunate to grow through limited marketing and strong word-of-mouth. This growth has come both on the residential side as well as the commercial side as hundreds of customers have installed 2 to 4 simulators to create their own lifestyle business. This unique approach inspired us to launch an all-new franchise program to allow entrepreneurs to partner and leverage all of the capabilities of TruGolf to hit the ground running and with the power of the TruGolf brand, technology, and innovation ecosystem.

3. WHAT GIVES TRUGOLF IT'S MARKET GROWTH?

We've invested heavily in both hardware and software innovations during these last three years and are pleased to announce our third-quarter results showing significant year-over-year growth and a return to profitability. Moving forward the new franchise program already has 120 doors under contract representing an additional growth driver as each door represents approximately $250,000 worth of hardware and software purchases as they open over the next 3 to 5 years.

4. IS THE COMPANY'S GROWTH TIED TO THE POPULARITY OF GOLF, ARCADES OR NEW SOFTWARE?

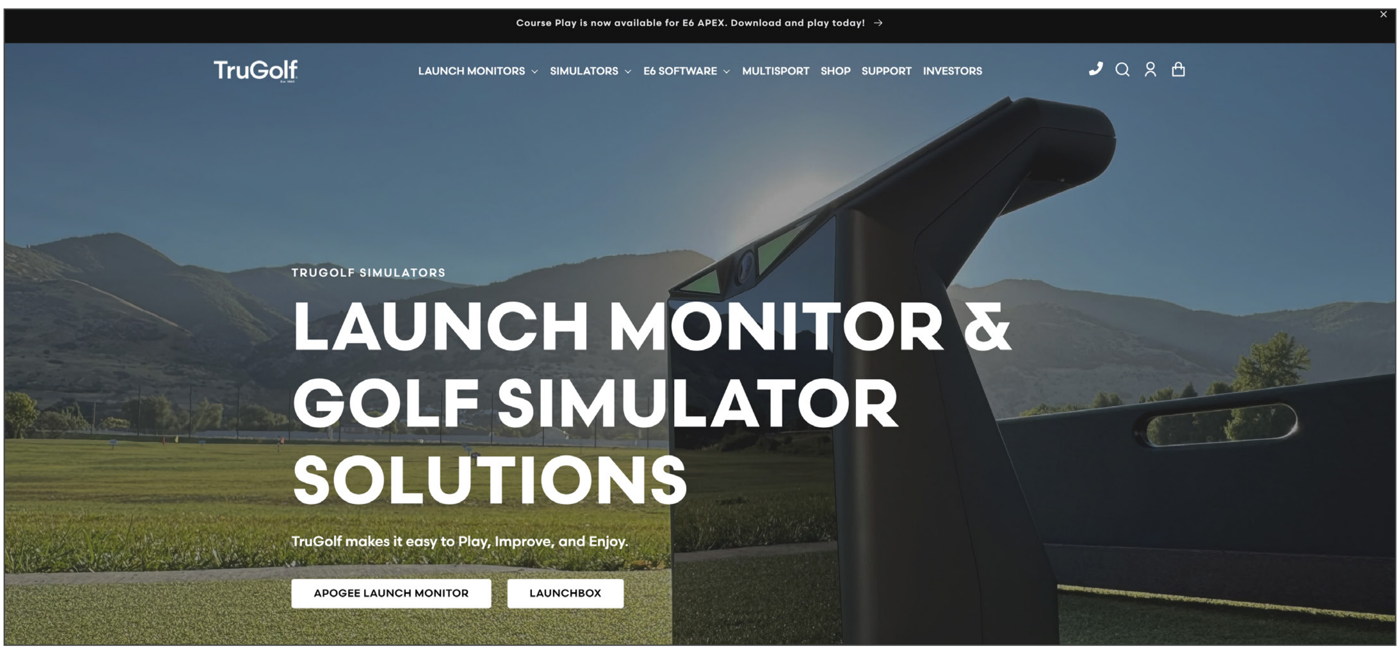
Our growth can be pegged to all three, as not only did participation in golf grow according to the National Golf Foundation, but so did golf participation off courses and on simulators, so much so that now nearly 75% of Americans golf not on green grass courses but favor the more controlled environments that TruGolf offers. In addition, we have seen a tremendous uptick in sales of our popular companion product, Multisport Arcade, that runs inside the simulator and provides people of all skills and ages the chance to have digital fun with 30 other arcade style games like football, hockey, dodgeball with zombies, corn hole, foot golf, baseball, basketball, and more.

5. WHAT ARE YOUR CUSTOMER DEMOGRAPHICS FOR YOUR MULTISPORTARCADES, APOGEE LAUNCH MONITORS, SIMULATORS AND YOUR FACILITIES IN GENERAL?

Our primary target market for APOGEE are diehard golf enthusiasts looking to shave 2-3 strokes of an already impressive handicap by leveraging a maniacal data and visualization approach to improving every aspect of their game from driving to putting, while also enabling them to simulate any weather, altitude, or variable on every golf course in the world to prepare for their next big tournament or vacation. Our secondary target audience are the casual golfers looking to dial in those slices or get an extra 50 yards out of their drives. We have built in challenges to unlock rapid progression and even video tutorials from some of the best PGA Pros in the world. The last but most important audience are the beginners or prospective beginners that just don't want to be embarrassed on the range or at a Top Golf looking for a safe place to log their first 100 hours of golf or have some fun and then dip their toes into golf while they're at it.

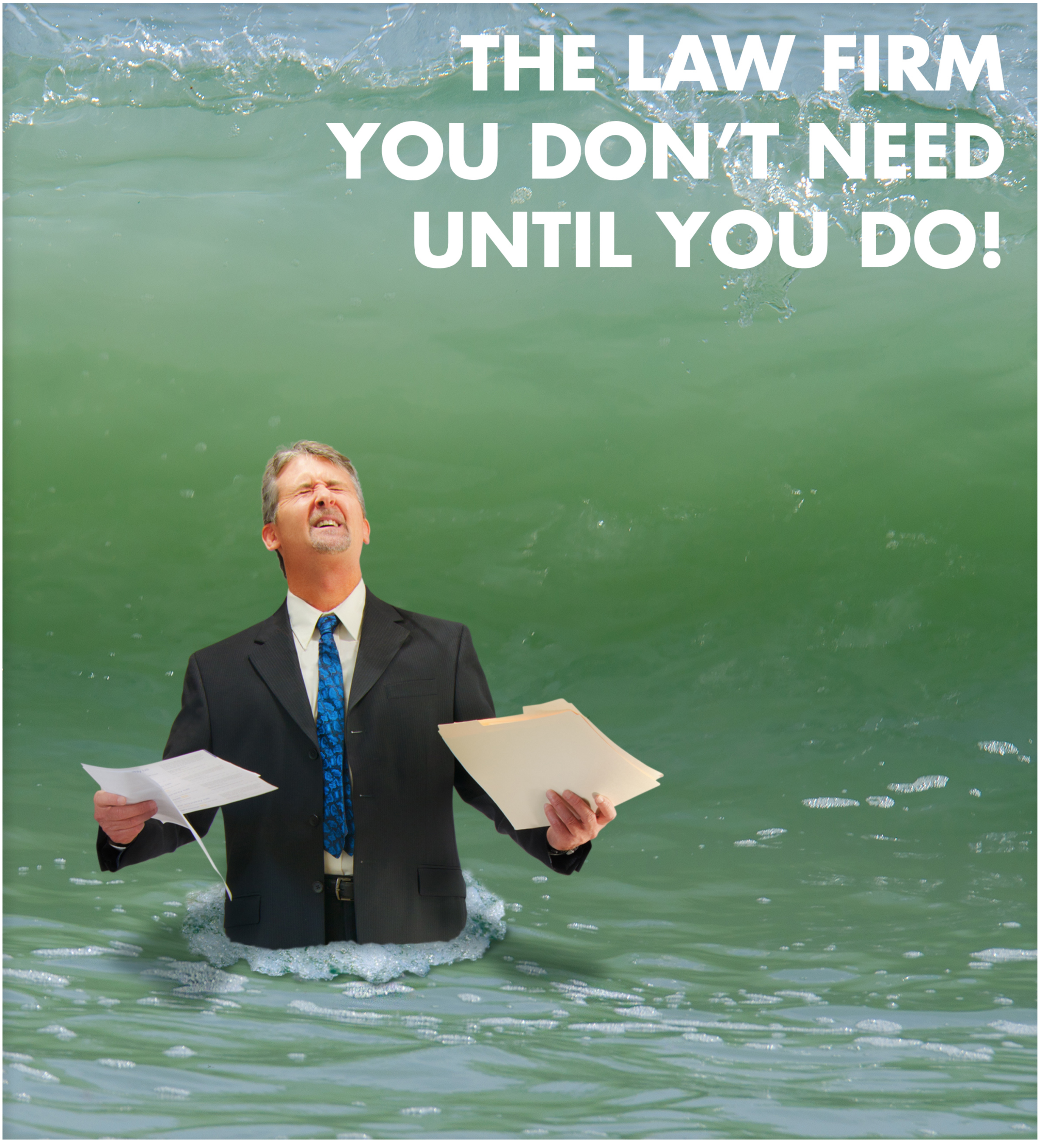
6. WHAT'S MANAGEMENT'S VIEW OF THE COMPANY'S FUTURE?

We couldn't be happier with the momentum we've seen with APOGEE, APEX, our TruGolf Links Franchise program, our partnership with IBM Watsonx AI commentary, and our global expansion efforts. The sport is growing, simulation of the sport is growing even faster, and as a direct result the opportunities for growth and AI powered innovation have never been better for TruGolf.




TruGolf
TruGolf
Shot Data
Shot Group Avg.
59.4y
53.5y
35.0°
56.0mph
9095.0rpm
48.0rpm
50m

PULLP THE MICROCAP LITIGATORS



For a Free Consultation Call **Jon Uretsky** at **(212) 571-1255**
www.pullp.com/jonathan-uretsky

WHY THE NEED TO TALK ABOUT DELISTING?

Shelly Kraft

When we invest in microcap stocks seeing a stock position drop in price is somewhat inevitable. In most cases, stocks listed on Nasdaq or NYSE-ASE, when certain price watermarks and thresholds are reached, we could be in danger of losing our entire investments due to delisting and further price drops, not to mention any earlier selling pressure from shorts. Issuers receive warnings of delisting without a price correction and many issuers resort to reverse splitting to maintain listings, this process is an immediate fix although it reduces our position significantly and provides further value erosion to shareholders. We must also be cognizant of future damage to our positions from investor negative sentiment and sell-offs by institutions unable to hold positions once the Issuer has been delisted by an exchange.

Shelly Kraft

Furthermore, as investors we will witness positive management opinions and pertinent facts in explanatory press releases, letters to shareholders, promises of stabilizing events for its shareholder base. However, many times all the best intended means taken by management still leaves us underwater asking ourselves; Why didn't I sell sooner? What warning signs were missed? Did I over believe and over trust management? Was I duped? How could I have avoided this disaster to my portfolio? Besides admitting my errors how can I prevent this from repeating itself?

We are reminded by the smartest microcap investors that not every trade is a winner but getting blown out by underperforming stocks due to exchange rules for stock price requirements is actionable by investors if we pay attention to any and all warning signs.

The rules continue to change as exchanges move to raise their standards to avoid "reputational risk" to their established franchises. As investors we've been trained to feel somewhat comfortable and self-assured that being listed on an exchange was better, safer, beneficial, more widely held etc. It can all go out the window due to a bad quarter, failed financing, poor management decisions, bad planning, bearish market conditions, and poor company oversight of shareholder interests and as well as many more possibilities.

Companies timely reporting of financials can provide detailed indications of the future and need to be read, understood, and acted upon far more than paying attention to all the gibberish usually contained in the self-promoting press releases, social media and appearances. Investors should search for good situations, avoid scams, act on danger signs such as sudden changes in down volume and as soon as your suspicions are alerted be ready to take actions.

In this article the following expert opinions are a combination of the effect of delisting on companies and stockholders. Please find worthwhile opinions of legal, accounting, insurance, transfer agents, investor relations, public relations and a market maker and details of what happens to our stocks once delisted.

Note: This article is not an attempt to provide investment advice. The content is purely the author's personal opinions and should not be considered advice of any kind. Investors are advised to conduct their own research or seek the advice of a registered investment professional.

EXPERIENCE POSSIBILITIES THROUGH SPORT

Chase
CAF Athlete

The Challenged Athletes Foundation (CAF) exists to open doors – doors that lead to unlimited possibilities through sport. When given an equal chance to play and thrive, people of all ages discover their full potential in all aspects of life, no matter what path they choose to follow.

Through access to sport and a supportive community, people often become the best version of themselves, truly understanding **all that is possible.** Sport often unlocks potential we didn't even know existed; and sometimes **all it takes is one person, one moment, one opportunity to make life-changing impact,** leading us down the road to a bright and beautiful future.

Join the CAF Community today and together we will redefine what's possible through sport.

501(c)(3) Tax ID #33-0739596
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DELISTED NOW WHAT?

Lynne Bolduc Esq. - Legal, FitzGerald Kreditor Bolduc Risbrough LLP

A. COMPANY DELISTING PROCESS


Lynne Bolduc Esq.

1. Deficiency Notice: The delisting process is set in motion when a company's stock trades for 30 consecutive business days below the minimum closing bid price requirement ($1.00) or less than the required market value. **NOTE**: Reporting Requirement: Any Nasdaq company receiving a deficiency notice has four business days to file an 8-K form with the SEC.

2. First Grace Period: A company that receives a deficiency notice for failing to maintain this minimum bid price is automatically granted a 180-day period to regain compliance, regardless of the Nasdaq market on which they are listed.

3. Second Grace Period: If the company does not regain compliance during the 180-day period, the company may be eligible for an additional 180 calendar days to regain compliance, provided that the company (i) meets the continued listing requirement for market value of publicly held shares and all other listing standards; and (ii) provides written notice of its intention to cure this deficiency during the second compliance period by effecting a reverse stock split, if necessary. If the company meets these requirements, Nasdaq will inform the company that it has been granted an additional 180 calendar days to regain compliance. **NOTE**: However, if it appears to the Listing Qualifications Staff that the company will not be able to cure the deficiency, or if the company is otherwise not eligible, Nasdaq will provide notice that the company's securities will be subject to delisting.

4. Returning to Compliance: . A company warned about its shares minimum bid price must achieve a closing price of $1 or more for ten consecutive trading days during this period.

5. Delisting Notice: If a company fails to comply with the minimum requirements during the first grace period or any second grace period, Nasdaq will issue a delisting letter to the company. **NOTE**: As with the deficiency notice, the company must notify the investing public of the delisting letter within four business days, by filing an 8-K with the SEC.

6. Appeal Process: Once a company receives a Nasdaq delisting letter, it has seven days to formally request a hearing. This request effectively halts the delisting process until the panel renders a decision. At the hearing, the company must present a detailed plan to regain and maintain listing compliance. The panel may consider the company's financial strength, general market overview and historical pricing. If Nasdaq rules in favor of delisting, the company has 15 more days to further appeal to Nasdaq or in federal court

IMPORTANT NOTE: New proposed rule: Nasdaq has proposed an amended to the rules above such that a request for a hearing of the delisting determination would ***not*** stay the suspension of the shares from trading if a company is afforded the second 180-day compliance period but fails to regain compliance with that period. Thus, a company's shares would automatically be suspended from trading during the hearings panel's review. The hearings panel

The current prevailing practice, if a company fails to comply with the Minimum Bid Price Requirement, is to conduct a reverse stock split, which combines multiple outstanding shares into one share, thus increasing the price of the combined share, to achieve compliance with the requirement.

would continue to have the discretion to provide an exception for up to 180 days from the termination of the second 180-day compliance period. If a company's shares are suspended, the shares may be traded in the over-the-counter market while the company's appeal is pending. This rule amendment become effective **October 7, 2024**, unless the SEC seeks additional time to approve or reject Nasdaq's proposal.

B. REVERSE STOCK SPLIT

1. Prevailing Practice: The current prevailing practice, if a company fails to comply with the Minimum Bid Price Requirement, is to conduct a reverse stock split, which combines multiple outstanding shares into one share, thus increasing the price of the combined share, to achieve compliance with the requirement.

2. Nasdaq Requirements: To prevent the excessive use of reverse stock splits, the current Nasdaq rules already set some restrictions, including that (1) a company must make a public disclosure about a reverse stock split in advance and (2) if a company's shares fail to meet the Minimum Bid Price Requirement and the company has effected one or more reverse stock splits over the prior two-year period with a cumulative ratio of 250 shares or more to one, then it will not be eligible for any compliance period but will be subject to immediate delisting.

3. Shareholder Approval Needed: Stock splits require shareholder approval in most states because most corporate state laws require an amendment to the articles of incorporation to effect a stock split. One notable and relevant exemption is Nevada which allows director approval only for a stock split with a corresponding increase or decrease to the number of authorized shares of that class. If the company can obtain shareholder approval by written consent, that can be processed on an Information Statement on Schedule 14C which can take approximately 30 days. However, if the company needs to hold a shareholder meeting pursuant to a Proxy Statement on Schedule 14F and solicit proxies to obtain shareholder consent for the reverse stock split, that can take several months.

IMPORTANT NOTE: New proposed rule: Nasdaq has proposed an amendment to the rules above to add an additional restriction that if a company's shares fail to meet the Minimum Bid Price Requirement and the company has effected a reverse stock split during the prior one-year period, then the company would ***not*** be eligible for the automatic 180-day compliance period (the First Grace Period) and would be subject to immediate delisting. A company would still be permitted to appeal the delisting determination to the Nasdaq hearings panel, where it could potentially receive up to 180 days to regain compliance. This rule amendment become effective **October 7, 2024**, unless the SEC seeks additional time to approve or reject Nasdaq's proposal.

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Lynne Bolduc is a partner at FitzGerald Kreditor Bolduc Risbrough LLP, with offices in Los Angeles and Orange County, California. Lynne got her start in the financing world over 30 years ago as in-house legal and compliance at investment banks where she learned from the inside what bankers and investors want to see in a company and how to structure deals that sell. Lynne now runs her law firm's corporate and securities department where she specializes in making financing transactions as simple as possible. She represents start-ups through public companies in all stages of their growth and development, including private placements, IPOs and follow on public offerings, and SEC reporting. Lynne also acts as an expert witness in corporate and securities cases and sits on the boards of directors of private and public companies.

THE DREADED DELISTING NOTICE

A VIEW FROM THE INVESTOR RELATIONS OFFICE

Scott Gordon – Investor Relations, CORE IR

Scott Gordon

There are many activities emanating from the Investor Relations Office of a nationally listed publicly traded company that are gratifying. Shareholder interaction, research analysis, analyst updates, management team and board reporting, producing diverse and impactful forms of communications such as press releases and filing disclosures, preparing for quarterly and annual earnings calls and so much more. But, among the most arduous of challenges to cross an Investor Relations Officer's (IRO) desk is a NASDAQ or NYSE continued listing standard deficiency notice and a resulting delisting determination. The far-reaching implications of such developments reverberate throughout an organization, both internally and externally and often provoke deep confusion among staff, shareholders and the broader stakeholders that influence a public company's strategies, operations and outcomes. How does the IR Office address these and fulfill its mandate? Let's take a closer look and clear up some misnomers and confusion about this often-daunting circumstance.

When nationally listed publicly traded companies fail to maintain their exchange's continued listing standards they are notified of the deficiency by letter from the exchange. They are mandated to publicly disclose the receipt of such letter and the reasons detailing the deficiency. Those reasons vary by exchange but include minimum bid price, average market cap, stockholders' equity, failure to timely file SEC filings, number of public shareholders, financial performance, among others.

The NYSE and NASDAQ provide for conditions with which a deficient company may regain compliance with the continued listing standards, offering a 180-day reprieve from any further action provided that the Company submits and they approve a plan to cure the deficiency. If a Company fails to meet the criteria for curing the deficiency, this will result in a delisting determination. Companies may appeal that determination and, in many cases, file an amended plan, which if approved, provides for an additional 180 days to cure the deficiency. Short of that being accepted, and failing an appeal, the company will be delisted from the exchange.

When a company is delisted from a national exchange they typically remain publicly traded on the Over-The-Counter (OTC) marketplace, which has a tiered system of listings, from the Pink Sheets to the OTC QB and QX. Where a company ends up depends on what efforts they undertake to have their shares listed for trading under which tier. The pink sheets tier is the lowest reporting threshold for a company and the least liquid in terms of bid/ask spread and trading. While the other tiers offer some advantage in improved trading, the OTC itself presents significant barriers to funds and investment firms that may be prohibited from trading OTC shares based on their investment charters or policies. It also presents challenges for companies in their capital formation and fund-raising activities as there are fewer participants willing to bank companies who are OTC listed.

So, what does all of this mean for the Public Company and the IR Office? How do they navigate the complexities of non-compliance with continued listing standards while preserving their most important asset – their credibility. Investor Relations succeeds most effectively when management demonstrates execution – execution on their established and public facing growth strategies and business models. But it is also demonstration of execution during the crises of successfully navigating the rough waters of a deficiency notice and an ensuing delisting determination.

While the exchanges are reasonable in their estimation and approval of remediation plans, they are also staunchly unforgiving in the face of failure to execute on those plans. That does not mean that companies are without options, and a solid IR and business continuity framework go a long way to aiding companies in their plight to work through their listing qualifications challenges and come out the other side stronger, more cogent, less uncertain.

Uncertainty is the bane of shareholders, analysts and organization stakeholders. It is incumbent on the IR function to ensure that the company communicates with the utmost transparency in order to promote clarity on where they are within the processes of remediating a continued listing deficiency. That communication always starts with a choice of whether to simply 8k a deficiency notice or to issue a press release that conveys the details. There is no one size fits all approach to the answer to that question; it depends upon the communication style a company has. As time progresses, investors and stakeholder will expect updates on how the company is progressing in its efforts to regain compliance, and the companies that do this part well, are rewarded with shareholder appreciation and improved investor relations. Companies that do not do this well turn loyal shareholders into frustrated ones and that in turns hurts credibility. An intentional, well communicated and executed approach to remediating deficiencies with continued listing standards highlights managements adeptness, rewards investors with improved transparency, and keeps everyone on the same side of expectations, even if those expectations translate into a delisting.

While the exchanges are reasonable in their estimation and approval of remediation plans, they are also staunchly unforgiving in the face of failure to execute on those plans.

Delisting in and of itself is not a death knell for companies; far from it. It is a factor of life as a public entity that can happen. The ensuing IR strategy, the effectiveness of a well architected approach to keeping investors informed, will aide management in the process to regain compliance and relisting. Ultimately, management's approach to overcoming these challenges hinges upon many factors related to their capital markets strategies and the integration of myriad forces that combine to establish a company's viability as a public entity. One of those factors very well in managements control is how they utilize Investor Relations to effectively maintain a connection to their public entity lifeblood – their stakeholders.

Scott Gordon, is President and Co-Founder, of CORE IR, a boutique investor and public relations agency founded in 2009, which provides Investor Relations, Capital Markets Advisory, Corporate Communications and Public Relations services for small to mid-sized companies. Scott leads client communications strategy development and implementation across client engagements within life sciences, tech, and a broad array of sectors. Scott is a 15 year IR and PR professional with a deep background in investment management and communications.

DELISTED TO OTC

Eric Flesche – Market Maker, Glendale Securities Inc.

Glendale Securities is a member of NASDAQ, CBOE, NYSE Arca. We can trade on OTC Markets OTC Link platform for OTCQB, OTCQX, and Pink Sheets.

Why was the issuer delisted?

Issuer failed to report to the SEC and is still failing to report?

Issuer failed to report does not want to report to the SEC anymore?

Issuer invited to leave the exchange because was a public nuisance in general?

Issuer delisted more than one day ago for any other reason and is now quoted unsolicited or not quoted at all?

Eric Flesche

If the answer is **yes** to any of the above questions, a new Form 211 filing with FINRA is required. Contact a market maker for more information.

Exchange related minimum price, minimum equity, or possibly other exchange standard not listed above and it is less than one day since delisting?

You may have a chance to maintain quotations without interruption, but time is of the essence to qualify!

SEC Rule 15c2-11 has an exception available for "The publication or submission of a quotation for a security that is admitted to trading on a national securities exchange and that is traded on such an exchange on the same day as, or on the business day next preceding, the day the quotation is published or submitted." 240.15c2-11(f)(1)

If trades occurred on the day before delisting, then proprietary quotations can be resumed on the OTC as long as an IQDS certifies the issuer as having the current information required by Rule 15c2-11. When you are delisted, or believe you will be delisted soon, you must act fast and obtain a market maker that will resume proprietary quotations the day after delisting. If at least one market maker does not submit a proprietary quotation by the end of the trading day after delisting, a new Form 211 will be required, regardless of whether the security traded the trading day before delisting.

Already delisted, missed the exemption, already trading unquoted or unsolicited on the OTC, and have determined that a Form 211 filing with FINRA is needed?

Only market makers and an IQDS can file a Form 211 with FINRA. Both market makers and IQDS file the same Form 211 with FINRA, but the process is different. Market makers must submit the Form 211 with FINRA and obtain clearance for the quotation from FINRA prior to the resumption of proprietary quotations. FINRA will often ask the market maker a series of questions regarding the issuer and require the market maker to provide responses to the questions. This process could take weeks or months depending upon the complexity of the issuer. In contrast, when an IQDS files Form 211 with FINRA, FINRA does not review the Form 211 prior to the resumption of proprietary quotations. However, a market maker must still submit a proprietary quote within 3 days of the IQDS submitting the Form 211 to FINRA. It is important that you reach out to a market maker to confirm that you will have the first proprietary quotation necessary to fulfill the requirement because the IQDS will often reach out to the market maker to confirm the requirement will be met when the IQDS files the Form 211 with FINRA.

From the issuer's point of view, the total time to the resumption of proprietary quotations may appear shorter when an IQDS files a Form 211 with FINRA. Unfortunately, an IQDS may be reluctant to file for certain issuers in general or due to regulatory concerns, may just prefer an issuer to go through the standard review that FINRA will conduct when a market maker files Form 211. In some circumstances, a market maker filing Form 211 with FINRA may just provide overall certainty to issuers on the timeline for the resumption of proprietary quotations.

Glendale Securities is a member of NASDAQ, CBOE, NYSE Arca. We can trade on OTC Markets OTC Link platform for OTCQB, OTCQX, and Pink Sheets. Our staff has decades of experience with these markets.

It is important that you reach out to a market maker to confirm that you will have the first proprietary quotation necessary to fulfill the requirement because the IQDS will often reach out to the market maker to confirm the requirement will be met when the IQDS files the Form 211 with FINRA.

Note: This article is not an attempt to provide investment advice. The content is purely the author's personal opinions and should not be considered advice of any kind. Investors are advised to conduct their own research or seek the advice of a registered investment professional.

WHAT HAPPENS WHEN A COMPANY IS DELISTED?

Erik Nelson – Filings, Coral Capital LLC

A recent topic of conversation has been the number of companies listed on the NASDAQ stock exchange with a share price less than $1.00/share. You might ask why this is significant or important? The answer is fairly simple, yet it has very significant ramifications for these companies.


Erik Nelson

The NASDAQ stock exchange has a minimum bid price rule of $1.00/share. If a Company's shares have their Bid price close below $1.00/share for 30 consecutive days, NASDAQ will issue a delisting notice. This delisting notice must be disclosed to the public via. a Form 8-K filing with the Securities and Exchange Commission ("*SEC*"). Once a delisting notice is issued to a company, it typically has 180 days to regain compliance. This is accomplished by having its Bid price close above $1.00/share for 10 consecutive trading days. However, if the company is unable to accomplish this, then its shares will be delisted from the exchange. This is something the management of any company will want to avoid.

If the shares of a company are delisted from an exchange, they will typically start trading on the Over the Counter ("*OTC*") market. Once the Company's shares begin trading on the OTC market, they will be designated as eligible for "*unsolicited quotes*" only. This designation restricts market makers from being able to submit proprietary quotes. They are only allowed to submit quotes reflecting actual client orders. This results in an extremely volatile stock price; or worse yet no Bid or Ask price being quoted. In addition to the "*unsolicited quotes*" only designation, there are several other negatives from being downgraded to the OTC market.

One of the most obvious, and not well understood items, is that a large number of brokerage firms will restrict the trading in shares quoted on the OTC market. Basically, they deem these companies to be higher risk and not suitable for large numbers of their clients. Compared to trading on a national exchange, this will reduce the visibility and liquidity for these companies' shares. This can ultimately lead to a lower share price and valuation.

When the shares of a company are delisted and begin trading on the OTC market they are no longer subject to the Rules set by the NASDAQ stock exchange. They become subject to FINRA's rules and regulations. This is a completely different process than dealing with a national stock exchange such as NASDAQ. The FINRA corporate action review process can easily take six months or more to review and approve a simple corporate action such as a name change or reverse stock split.

Additionally, companies whose shares trade on the

OTC market have a far greater degree of difficulty raising capital than those whose shares trade on a national stock exchange, such as NASDAQ. This is due to the fact that there are a variety of state and federal rules that effectively deem securities traded on the OTC to be riskier than those traded on a stock exchange.

Obviously, a company will want to do everything it can to avoid being delisted. However, in the real world, things do not always go as planned. If a company finds that it is going to be delisted, or has been delisted, then it will need to take action to mitigate the damage caused by being delisted.

The most important of these items is to have a 15c2-11 disclosure package submitted on its behalf. A 15c2-11 disclosure package is a collection of documents and other information necessary to satisfy the requirement of the SEC rule from which it takes its name. We can help with that process. Our team has 20+ years of experience in preparing 15c2-11 disclosure packages. Once the 15c2-11 disclosure package has been approved, the company will be designated as "*Proprietary Quote Eligible*". This designation allows market makers to submit their own quotes. Over time this will result in a more stable stock price that allows volume to grow and the development of an active trading market to occur.

Companies whose share price is near or below the $1.00/shar threshold need to be aware of the risk of being delisted. It is important to understand there are steps that can be taken to reduce this risk, and to mitigate the damage to the Company if a delisting occurs. Once a delisting occurs, it is important to understand what needs to be accomplished in order to regain an exchange listing. Through out this process, stay in contact with your advisors. They can be a valuable resource during this process.

Erik Nelson is the President of Coral Capital Advisors, LLC. www.coralcapital.com, an independent consulting and advisory firm focused on companies and participants in the lower and middle markets. Coral Capital Advisors specializes in DTC Eligibility services, due diligence, and corporate restructurings. Coral Capital Advisors. provides services to Investment Banks, Private Equity Funds, investors, and both privately held and publicly traded companies, as well as various stakeholders in those organizations. Additionally, Mr. Nelson is also the President of Mountain Share Transfer, www.mountainsharetransfer.com, an SEC registered transfer agent. Please feel free to contact Mr. Nelson via. office telephone # (404)-816-9220.

Note: This article is not an attempt to provide investment advice. The content is purely the author's personal opinions and should not be considered advice of any kind. Investors are advised to conduct their own research or seek the advice of a registered investment professional.

DELISTED ACCOUNTING

Brian Zucker CPA, RRBB Advisors, LLC

Brian Zucker CPA

If a company has failed to meet the conditions that triggered a deficiency notice resulting in the company's shares being delisted, the company shall understand the effects on financial reporting, issued financial instruments, and the impact on future audits.

REPORTING REQUIREMENTS

A company that has been delisted can choose to remain registered with the SEC and be listed on the over-the-counter (OTC) markets. If the company is still registered with the SEC they must continue to file periodic reports such as quarterly and annual statements. They must continue to adhere to filing deadlines, financial statement disclosures, and accounting standards similar to those required for listed companies. Additionally, delisted companies are required to disclose any significant business or operational changes that could materially affect the company's finances.

Alternatively, companies that have been delisted may choose to deregister their securities with the SEC to suspend or end their reporting obligations.

REVIEW OF FINANCIAL INSTRUMENTS

Management should review any shareholder agreements and the terms of any outstanding financial instruments as soon as a company receives a deficiency notice or delisting becomes imminent. Certain debt instruments might include covenants requiring the company to maintain a listing, and failing to do so could result in an event of default. For financial instruments measured at fair value, such as options, warrants, or derivatives, valuation of these instruments becomes more complex, requiring specialists. Pricing models typically rely on stock prices, which can become costly and time-consuming post-delisting and deregistration.

Delisting due to deficiency notices are indicators of financial difficulties, thus indicating that the company's assets, including intangibles, and goodwill may be impaired. This process involves reassessing the value of goodwill and other assets based on the new status and outlook. This process can take significant time to complete and should not be an afterthought, as it can lead to missing filing deadlines.

AUDITOR IMPACT

Keep your auditors informed of the company's decision on how to move forward. Auditors may maintain a low-risk client profile that does not allow for the acceptance and continuation of companies listed on the OTC. A new auditor may need to be engaged in order to adhere to SEC registration requirements.

Managing Member at RRBB Advisors, LLC
Chair of the CFO and SEC Reporting Outsourcing Department
Partner at Rosenberg Rich Baker Berman, P.A.

As Chair of the firm's CFO Outsourcing Department, Brian serves as CFO and Financial Operations Principal (FINOP) for numerous broker-dealers, public companies, private equity and hedge funds. He has over thirty years experience as a CPA, CFO, auditor, writer, director and speaker specializing in the securities industry.

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CHILDREN SAVED

150+
MEDICAL TRAINEES

70+
COUNTRIES SERVED

Save a Child's Heart has been dedicated to saving lives and **repairing broken hearts for nearly 30 years**. During this ongoing war, Save a Child's Heart will treat Israeli casualties and patients and support the emergency, wartime needs of the Wolfson Medical Center while continuing our lifesaving work of treating children with congenital heart disease around the globe.

CONTINUING GLOBAL CARE FOR CHILDREN

We are committed to being a beacon of hope for communities that have nowhere else to turn, which means flying children to Israel for critical care even during an ongoing war, continuing missions abroad, and training medical professionals. Since October 7, 2023, we have treated over 200 children. Our Children's Home is at full capacity with nearly 35 children, primarily from Africa, at any given time.

SUPPORTING URGENT NEEDS OF ISRAELI CHILDREN'S HOSPITAL

We built a hospital to support Israel and grow our impact of saving little hearts from around the world. We always knew it but this past year has highlighted that Israel is in even more need of a pediatric ER in the center of the country. Wolfson and the SACH Children's Hospital are fulfilling this need by building a state-of-the-art facility within our building. This development will provide essential emergency care to children from some of Israel's most economically and socially diverse communities.

DONATE NOW saveachildsheart.org

HOW DOES DELISTING AFFECT INSURANCE?

Jason Bishara – Insurance, NSI Insurance Group LLC

The process of delisting a company significantly alters the risk landscape for its directors and officers (D&Os), even though it does not trigger the Transaction Clause of a Directors and Officers (D&O) insurance policy. Coverage remains intact throughout the policy term, but the changing circumstances necessitate a thorough review of coverage limits and policy structures to ensure adequate protection for the D&Os.

Jason Bishara

IMPACT OF DELISTING ON RISK PROFILE

When a company undergoes delisting, it faces several challenges:

- **Capital Raising Difficulties:** Delisting typically leads to increased illiquidity, making it harder for the company to raise capital. This can reduce investor confidence and market valuation.
- **Shareholder Trading Issues:** Shareholders may find it more challenging to trade their shares, potentially leading to dissatisfaction and claims against the D&Os.
- **Increased Litigation Risk:** The changing trading environment can encourage class action lawsuits and derivative claims, alleging breaches of fiduciary duties by the D&Os. Given the company's likely reduced capital and inability to indemnify its executives, the financial stakes for the D&Os become significantly higher.

NECESSITY FOR COVERAGE REVIEW

In light of these risks, it is critical for D&Os to reassess their insurance program immediately upon delisting. Key considerations include:

- **Review of Coverage Limits:** Ensuring that the policy limits are sufficient to cover potential claims, which can be costly in the event of litigation.
- **Policy Structure Adjustments:** D&Os should consider whether their current policy structure adequately addresses the heightened risks associated with a delisted company. This includes evaluating the need for Excess Side A Difference in Conditions (DIC) insurance, which can provide additional protection when the company cannot indemnify its directors and officers.
- **Communication with Underwriters:** Keeping underwriters informed about the company's changing circumstances is essential for managing renewals and ensuring that coverage remains appropriate as risks evolve.

CONCLUSION

The delisting of a company marks a critical juncture that requires proactive measures from its D&Os regarding their insurance coverage. By reviewing and potentially modifying their D&O insurance program at this time, they can better safeguard their personal assets against the increased risks of litigation and financial liability.

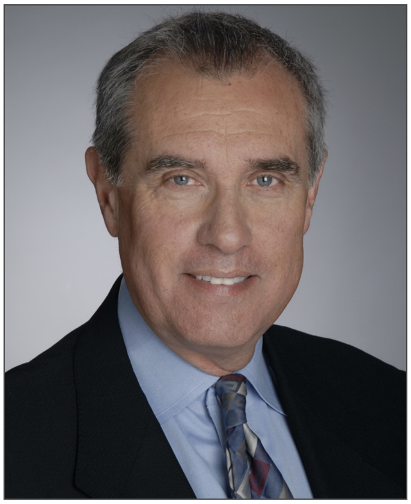
Jason Bishara is a seasoned professional in the financial services sector, particularly known for his expertise in insurance and risk management. He currently serves as the Financial Practice Leader at NSI Insurance Group, a role he assumed following the acquisition of his previous company, JAISIN Insurance Solutions, in October 2023. With over 25 years of experience, Bishara specializes in management liability products, focusing on protecting the personal assets of directors and officers in publicly traded companies through tailored insurance solutions, including Directors and Officers (D&O) insurance, cyber liability, and employment practices liability insurance (EPLI) .Before joining NSI Insurance Group, Bishara founded and led JAISIN Insurance Solutions, where he provided outsourced risk management solutions to public companies and nonprofit organizations. His client-centric approach and extensive knowledge of capital markets enable him to navigate complex financial landscapes effectively, ensuring that clients receive comprehensive and customized insurance solutions .

DELISTED OR ABOUT TO BE?

Roger Pondel, CEO, PondelWilkinson Inc. – Public Relations

When a publicly traded company is delisted from Nasdaq or the New York Stock Exchange, it enters a critical phase that demands an immediate, strategic response beyond a bare-bones required public disclosure and merely addressing the underlying issue that led to the delisting.

Thoughtful damage control through effective, transparent and immediate communication is paramount to mitigate reputation loss and restore the confidence of all stakeholders— shareholders, employees, customers and suppliers.



Roger Pondel

Additionally, companies should focus on the practicality of direct stakeholder engagement. Hosting meetings, webinars, or conference calls can facilitate open dialogue with shareholders, for example, allowing them to voice concerns and receive direct responses. The same holds true of customers and employees, allaying fears of job losses and of customers who may rely upon critical products or services. Demonstrating responsiveness can help manage uncertainties about the company's future.

First step is to swiftly communicate as widely as possible, through the media for full disclosure and to be in compliance with Reg FD, as well as through social media. Secondarily, consideration should be given to direct, one-on-one communications to key constituents via email.

Transparency is vital. The delisted company should provide a clear explanation of the circumstances surrounding the delisting, outlining both the immediate effects on operations, along with the long-term strategy for recovery. A message that conveys accountability will foster trust. Being forthright in acknowledging the challenges and detailing a specific plan to address them sends the message that the company is proactive and committed to overcoming its difficulties.

Implementing and subsequently communicating a comprehensive turnaround strategy is essential. This might involve seeking financing options to stabilize the business, focusing on operational efficiencies, possible changes in senior management, and redefining corporate governance. The leadership team should also actively work on rebuilding relationships with investors and analysts to instill or regain credibility.

The delisted company should explore re-listing opportunities, wither by remedying deficiencies or even possibly listing on a different exchange, or via a new financial vehicle. Such an approach demonstrates resilience and also provides shareholders with a glimmer of hope for recovery.

Companies usually know ahead of time if they face a delisting. With Nasdaq, for example, they are typically given 45 days from the time of notice to develop a plan to regain compliance, with a total of 180 days to implement that plan. During that period, with valuation usually waning, it is prudent to prioritize transparent communication as the company remedies whatever the reasons were for delisting in the first place.

Robust engagement with all stakeholders and clearly articulating the strategic recovery plan, with a focus on long-term re-listing options, will help to effectively navigate what always is a challenging period.

Roger S. Pondel
CEO, PondelWilkinson Inc.

Roger S. Pondel, CEO of PondelWilkinson Inc., has been the architect of communications programs involving corporate transformations and restructurings, mergers and acquisitions, crises and complex shareholder matters, as well as serving as on day-to-day investor relations and strategic public relations counsel.

Heading the firm for more than three decades, Pondel previously was investor and public relations director of several middle market corporations. He also was a reporter with the San Jose Mercury News.

He is a member of the CFA Institute, the National Investor Relations Institute and the Public Relations Society of America and served on the national board of the Association for Corporate Growth.

Pondel earned a bachelor's degree from the School of Journalism and Communications, California State University, San Jose. He is a frequent guest speaker on investor relations and corporate communications issues.

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310-279-5965

Q&A WITH BQE WATER (TSX-V: BQE)

Water. Environment. Social acceptability. Green Economy.

Like 'synergy' in the 90s and ESG today, these are all fashionable buzzwords used extensively to attract attention. It is not easy for investors to sort out the companies that actually do those things, much less the ones that are doing them well, and most importantly, have proven ways to monetize those phrases with substantial growth potential.

David Kratochvil, President & CEO at BQE Water

THE BQE WATER STORY.

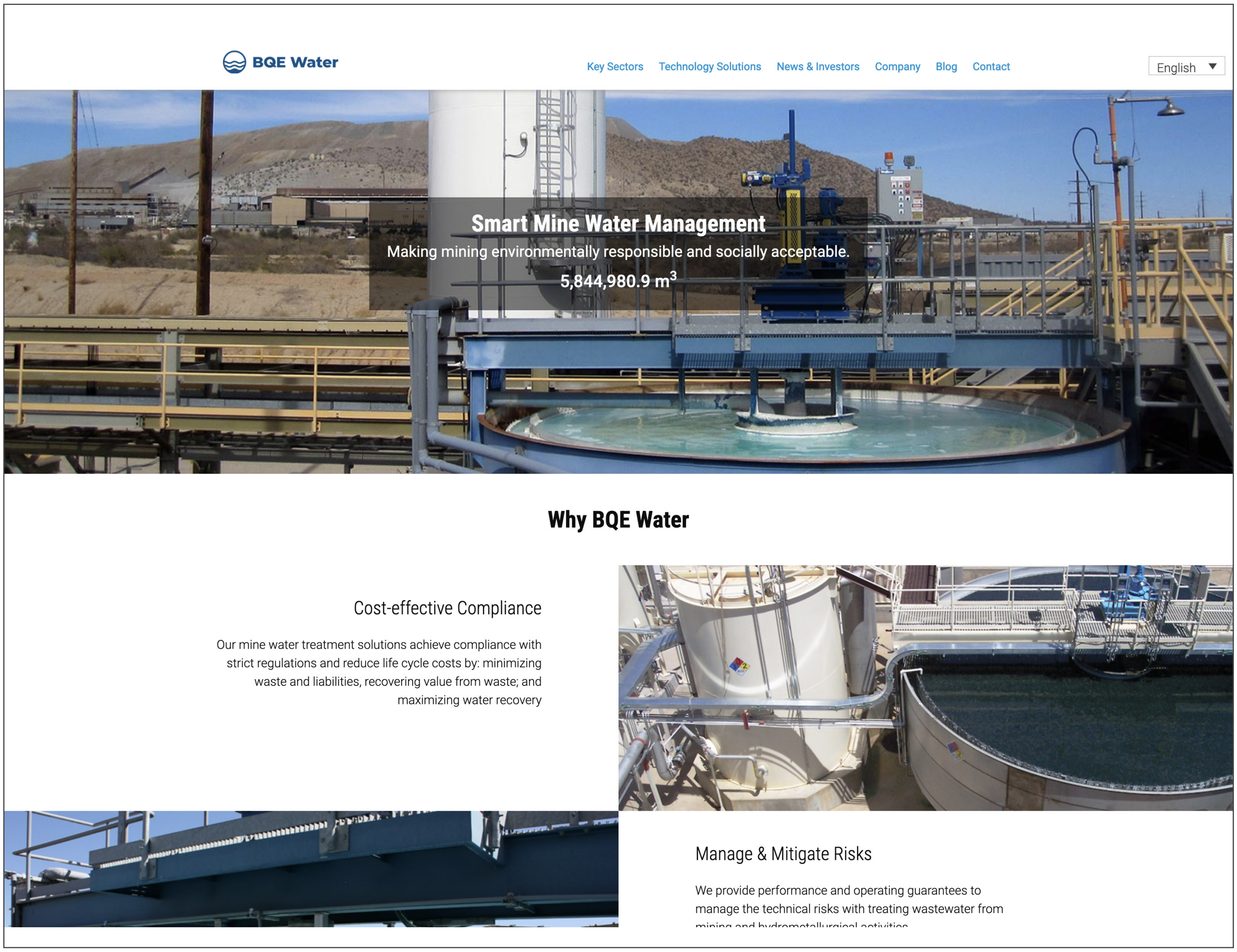
BQE Water is a water treatment company that provides innovative wastewater treatment solutions to the global mining industry. We are focused on gaining operations contracts with recurring revenue by reducing water treatment life cycle costs, while also reducing long-term risks and liabilities for all parties with a vested interest in any mining project. This includes educating and partnering with indigenious groups when their nation's land is being used or impacted by a mining project.

BQE has built a substantial IP portfolio of processes that are needed by the miners to get through permitting most effectively and expediently. All of our IP is built on both current regulations and its anticipated future direction. Of course, BQE can do the vanilla processes most companies use in this sector, but this area is becoming more complicated daily, and vanilla-type applications are often insufficient for the changing regulatory landscape. Regulators are setting higher standards, and miners need to adjust to it as well; while the water treatment plant may be only an extremely small percentage of the mines capital costs, it is often the key to whether the project will proceed or not.

Our commercialized IP is in areas like – Selenium and Sulphate removal, Cyanide recycling and/or destruction, as well as Metals Recovery. Our IP allows us to reach effluent water quality that avoids reliance on dilution while producing byproducts for re-use instead of toxic waste. On our website, you will see many awards we have won for our innovation, sustainability, and business growth. This is reflected in our proven track record, with 30 plants built worldwide (and more in the pipeline), cash in the bank, technology proven and implemented at commercial scale, senior management with a proven history in the execution of strategy and experience working with some of the biggest names in the mining sector, revenue $22M +, net income of $2.6M and Adjusted EBITDA of $4.6M.

HAS 2024 PANNED OUT AS EXPECTED?

2024 has been a year of handling growth. At the end of 2023, many larger technical services contracts occurred, and we could see our path ahead included needing new roles in the company to prepare for the escalation in projects advancing, both within the business development pipeline and those projects currently in process. We know and accept our business is still going to be lumpy for a while, with unpredictable starts in our technical



services and seasonal operations heavily impacting our first and second quarters. We have confidence this will smooth out as the recurring revenue grows in areas not impacted by temperature and climate.

It is understood that when looked at through the lens of simple financial metrics, these first two quarters do not show a happy upward line for investors, so it should be asked, why were technical services weaker? This is a great example of why we always ask investors to look at our growth over years, rather than quarters. Internally we can see lots of things happening, with lots of exciting projects in early stages, but the first two quarters had a preponderance of early-stage lower contract value in technical services. For us inside BQE, it looks great, but of course, it is hard for investors to see the potential in a mere $25k or $50k initial project with a customer.

What I will say is, in all of the dollars you see growing in recurring revenues today, every single one of those projects started as one of these lower value contracts in site evaluations & assessments.

ARE THERE TAILWINDS FOR THE COMPANY?

In spending 30+ years in the investment world, I always looked for products or services people need; the simple "want to have" or "would be nice to have" never excited me. Happily, the tailwinds for BQE Water are what might be called a perfect storm. One might look at BQE and say "clean water", and that's something that makes sense for the future. But the future is now. Regulations are getting tougher, governments are getting smarter, enforcement exists in some geographical areas and is coming in others - all great tailwinds. Perhaps social acceptability is even bigger than regulations for mining companies

Like the old days of the California Gold Rush, the people who made the big money did so by selling shovels and wheelbarrows.

and this understanding is only growing, especially for the major international groups who are well aware of the NGO's litigious lawyers and government agencies lying in wait to pounce on what they perceive as wealthy corporations. Funds investing in the environmental plays, we certainly check that box, when we get institutions to take notice. If you believe in a green economy, then you understand we need the mining of metals, so does that mean a bull market in metals? If so, how do you pick the winners? Like the old days of the California Gold Rush, the people who made the big money did so by selling shovels and wheelbarrows. BQE Water, with its innovative and at times, truly disruptive process to currently available applications, is a universally needed implement for mining. Remember two-thirds of our business is sole sourced, showing a very much "need" for many projects to even get past initial permitting, let alone into production.

VALUE CATALYST FOR 2025 ?

There are several. Very obviously we will organically grow and create more of the same for 2025, increasing recurring revenue and continuing to mitigate the impact of seasonality. However, our team is not interested in sitting on their hands and relying passively on organic growth, we are looking at a number of things we can do that would be accretive to our bottom line, without taking our eye off the ball. Areas of potential M&A have been identified for use of cash, but as yet, a well fitting target has not been found. Any M&A must fit within our current strategy and be cash flow positive, adding value from Day One. Beyond that, the much bigger catalysts are what we call company makers - these are projects we are working on today. We currently have three projects in this category, and they have all spent substantial money with us, over seven figures, and in one case, multiples of that. While I can't name them, savvy investors should be able to deduce at least one of them from previous announcements. The other two are a little tougher, but suffice to say, each of the three are a significant multiple of anything we have done to date, both in capital costs (technical services for us) and operating fees. As an example, any of the three would generate operating fees equal to our total operating fees in 2023. A word of caution, we only realistically expect one of these to give us the green light in 2025, but we have high hopes for all three within the next 3-5 years.

For more information about BQE Water, please visit: https://www.bqewater.com/

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SABIO HOLDINGS INC. (TSX-V: SBIO / OTCQB: SABOF)

THE SABIO HOLDINGS PORTFOLIO OF COMPANIES PROVIDES SOLUTIONS FOR CONTENT PUBLISHERS AND ADVERTISERS IN THE CONNECTED TV AND AD-SUPPORTED STREAMING SPACE

1. HOW WOULD YOU BEST DESCRIBE SABIO TO AN INVESTOR AUDIENCE?

Sabio helps Top 100 brands in the world effectively reach, engage and validate (R.E.V.) consumers on Ad supported streaming apps and platforms. We serve targeted ads and provide insights that drive engagement and ROI for our clients.

2. WHAT ARE THE COMPANY'S EXPECTATIONS FROM BUILDING AN APP AND GENERATING INTEREST?

Consumers are increasingly cutting the cord from cable, with a growing number opting for ad-supported streaming applications. Meanwhile, trillions of dollars are available for investment. The creation of our app, which will include both iOS and Android versions, addresses both trends.

3. WHAT ARE THE VARIOUS REVENUE STREAMS OF SABIO?

Currently, the vast majority of Sabio's revenue comes from leveraging our ad supported streaming technology to help brands and agencies effectively and efficiently reach audiences in a highly fragmented media ecosystem.

4. PLEASE DESCRIBE THE PROCESS OF HOW ADVERTISING REVENUE IS GENERATED FROM USING MEDIA AND CONTENT?

Sabio works with brands and the ad agencies that represent them to help reach the target audiences that they have identified. We run the ads on various platforms through relationships with apps and platforms such as Samsung, Vizio, Roku, LG, Amazon, to name a few. Since our tech is already integrated into some of the largest platforms in the world, it allows us to leverage vast amounts of data to find the target consumer in real-time on those platforms. We then use our proprietary technology to provide insights of the effectiveness of the reach.

5. WHAT ARE THE COMPANY'S GREATEST GROWTH OPPORTUNITIES?

Consumers are increasingly cutting the cord from cable, with a growing number opting for ad-supported streaming applications. By 2028, 75% of U.S. households are projected to have cut the cord, underscoring the rapid shift towards streaming platforms. This trend highlights significant growth potential, with the U.S. CTV market expected to grow 19% in 2024.

To meet rising demand, we are also launching a programmatic offering, enhancing our service portfolio and providing clients with more comprehensive advertising solutions. Additionally, we're introducing Creator TV, a new streaming channel focused on leveraging creators and influencers from the social media landscape. We believe this new product will drive growth as the industry shifts away from traditional TV and film towards the creator economy, positioning us to capitalize on this emerging trend.

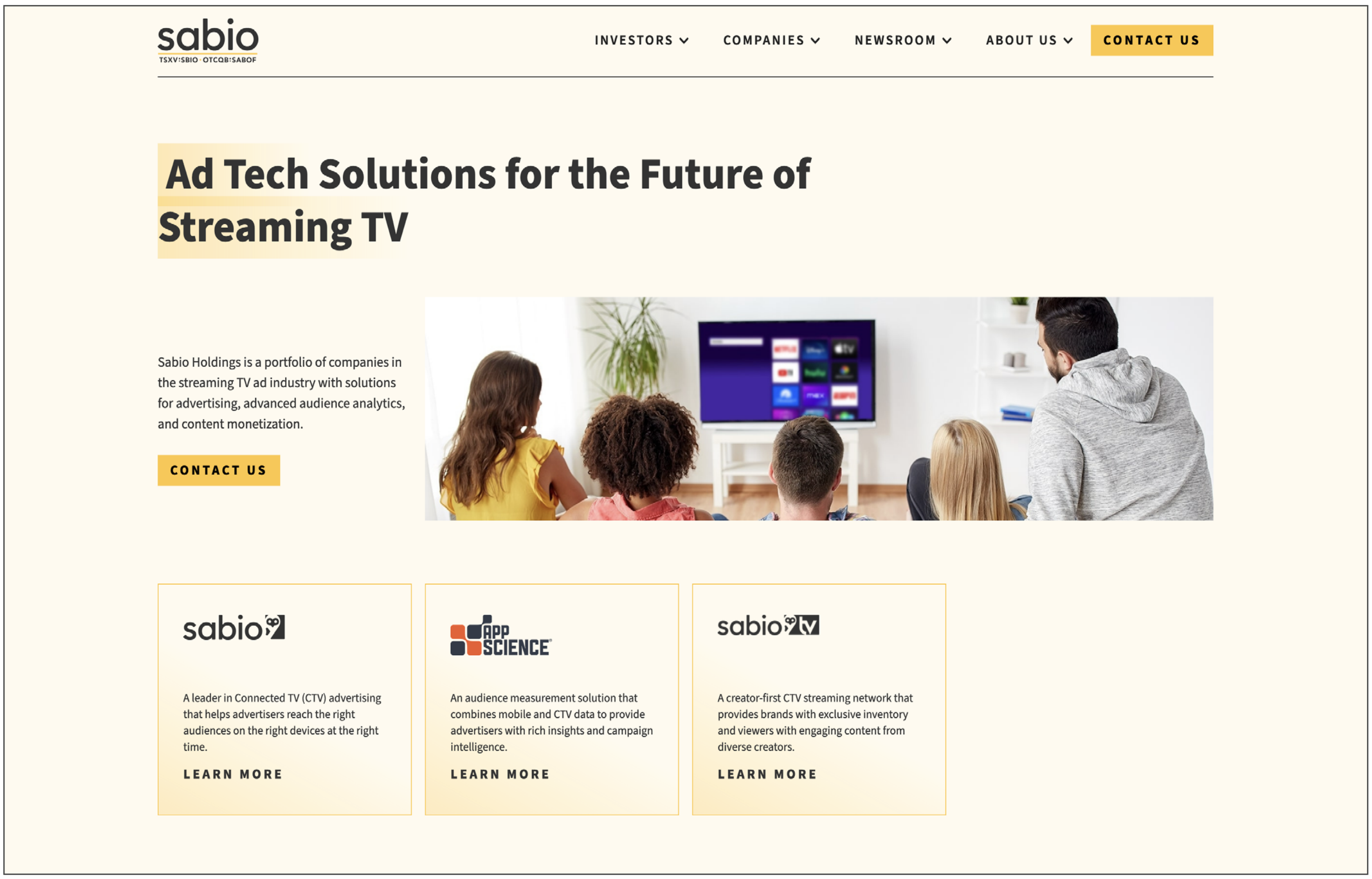
6. IS SABIO A GLOBAL BUSINESS?

Sabio has primarily focused on the US market. However, over the past year, we have strategically extended our reach into the European market, recognizing the potential for

growth and the benefits of diversifying our geographical footprint. Our entry into Europe has been met with positive reception, and we are gaining traction as we establish our presence there. The early indicators of our success in Europe are promising, and we are confident that our growth will continue in this region as we build on the momentum we have generated.

7. WHAT IS SABIO'S MOAT VS. COMPETITION?

Sabio's competitive advantage lies in our proprietary end-to-end technology stack, which includes unique and differentiated data, such as our 55 million Household Graph. This extensive dataset has enabled us to deliver a 91% Re-Occurring revenue rate (H1 2024) with our top brands. Our advanced targeting capabilities and unique insights into a rapidly growing market position Sabio well for the future, especially as cord-cutting trends continue to accelerate.



Q&A WITH BLUMETRIC ENVIRONMENTAL INC.

1. LET'S START WITH A QUICK OVERVIEW OF THE COMPANY.

BluMetric Environmental Inc. (TSXV: BLM or OTCQX: BLMWF)("BluMetric") is a publicly traded environmental consulting and cleantech company with expertise across professional disciplines and technologies that allow for the design, fabrication and delivery of sustainable solutions for environmental, water and waste water challenges.

Scott MacFabe, CEO, Executive Director at BluMetric Environmental Inc.

BluMetric has more than 220 employees operating in twelve offices in Canada and the United States with over 45 years of company history. Headquartered in Ottawa, Ontario, BluMetric's team of industry experts serves Commercial, Military, Mining and Government clients across North America and the Caribbean.

2. 2024 IS PRETTY MUCH IN THE BOOKS, WHAT ARE SOME HIGHLIGHTS FOR THE COMPANY FOR 2024? DID THE COMPANY ACCOMPLISH ALL THE GOALS IT SET FOR ITSELF IN THIS CALENDAR YEAR?

In 2024, BluMetric aimed to scale its cleantech water products and services, expand geographically and execute on potential M&A. This strategy was to be executed without compromising the environmental consulting side of the business.

BluMetric was successful in these aspects by winning a large refurbishment contract with the Canadian Armed Forces, broadening the scope for its "Mission Ready Water" systems with an Indigenous community, and finalizing field testing in preparation to commence manufacturing units under its approximately $12.0 million contract with Rheinmetall, a large European defense contractor.

While some of these initiatives were not visible in the FY2024 operating results, they are expected to contribute materially in FY2025 and onward.

In September 2024, the acquisition of U.S.-based Gemini Water was announced, marking an expansion in the cleantech water portfolio and entry into the Caribbean and U.S. water markets.

The Gemini Water acquisition is important because of its ability to diversify BluMetric's cleantech customer base into new industrial and commercial applications. In addition, the nature of Gemini Water's business model allows it to backfill the longer sales cycle seen in BluMetric's military business while providing a U.S. manufacturing footprint for access to new military opportunities. This is all supported by complementary IP & expertise which both companies will share.

BluMetric believes the combined resources and expertise of both companies will result in accelerated growth.

Furthermore, the company's consulting divisions continue to operate in the black and support the overall profitability of the company.

2024 has seen significant investments and 2025 is expected to showcase an improved top line with approximately half of revenues coming from cleantech deployments.

3. ARE THERE ANY INDUSTRY TAILWINDS TO PUSH FORWARD SOME OF THE COMPANY'S GOALS AND OBJECTIVES FOR 2025?

Water scarcity is becoming a critical global issue, driven by factors such as climate change, population growth, and pollution, which threaten the availability of this essential resource. As a result, there is an urgent global need to invest in infrastructure that enhances water management and security, ensuring sustainable access for communities and ecosystems alike.

BluMetric has a diversified portfolio addressing these growing needs from environmental consulting services for groundwater resources, selling shipboard water systems to support military and commercial operations, wastewater systems and installing potable water desalination systems to island nations, utilities and resorts.

Gemini Water is currently in St. Kitts and Nevis to design, build, and install a two million gallons per day (GPD) desalination plant that will add 40% to the island's drinking water capacity. There remains US$9.3 million on this contract, and the project is expected to be completed by the end of calendar year 2025. With the announcement of this contract, Gemini has started to see interest for similar applications.

As of October 2024, BluMetric's order backlog now sits over CA$55 million, helping validate the continued demand for the company's products and services.

Furthermore, geopolitical risks and tensions continue to increase globally and there is more pressure for countries like Canada to increase military spending. While it's too early to be certain, this could further drive cleantech sales interest for military applications in 2025 and beyond.

BluMetric is ultimately a specialized company benefiting from global sustainability, water tailwinds, and "Mission Ready" military demand.

4. LOOKING AHEAD, FROM WHAT YOU CAN TELL US, WHAT ARE SOME OF THE COMPANY'S VALUE CATALYSTS FOR 2025?

2025 will be an important year for BluMetric to demonstrate its ability to execute as it invests further into manufacturing capacity and sales. Management believes the company is at an inflection point due to cleantech growth investments, the strategic acquisition of Gemini Water, and record sales orders (Rheinmetall and St. Kitts and Nevis), which are all expected to contribute to realized revenue and scale not seen before by BluMetric.

For more information about BluMetric, please visit: https://www.blumetric.ca/

EVENTUS ADVISORY GROUP LLC

Neil Reithinger

ONE OF THE LEADERS IN ON-DEMAND CFO ADVISORY SERVICES FOR PRIVATE AND PUBLIC COMPANIES

PMC: WHO IS YOUR TARGET MARKET AND WHY?

COMPANY: Macro Level: Our target market consists of private companies and public companies.

Industry Level: We are sector agnostic.

Target Market (TM) We Serve by Revenue (Either Pubco or Priveco):

- Small Business (Pre-rev - $5M)
- Lower Middle Market (Commercial) ($5M - $100M)
- Upper Middle Market ($100M – $500M)
- Fortune 1000 ($500M+)

TM We Typically Serve - Pubco: $10M - $2B in Market Capitalization

TM We Typically Service - Priveco: $2M - $500M in Revenue

Exceptions to Typical TM: We provide services to Fortune 1000 (Priveco or Pubco) companies for special CFO advisory projects

PMC: HOW DO YOU DEFINE YOUR CLIENT'S SUCCESS?

COMPANY: Technical Accounting/SEC:

- Solve for point-in-time hurdles
- Continue to lead and provide solutions for their transactional pain points
- Provide leadership for strategy and "move the business forward" advice
- Keep you safe and compliant
- Advice that goes beyond simple rule following

Business Intelligence:

- Decision-ready information
- Clarity not hope
- cost of full time
- Integrated information to understand the relationship between variables and detect trends and patterns
- Reduction of blindspots and reduced loss from unknown trends
- Information by analytical experts/no "data-dumps"/experts telling you what to look at so that you don't get blind-sided

Financial Operations:

- Elimination of worry or uknowns - day to day financial and accounting processes are handled
- Constituents (BODs, equity investors, auditors, tax accountants and commercial bankers) are happy:
- Advice that goes beyond simple financial rule-following
- Provide leadership for strategy and "move the business forward" advice.
- Neutral party that ensures sales, marketing, and product are all in lock step with each other

But always try to remember what the client is going through and make sure that we respect their journey since they are in the arena.

- Ensure that decisions have a perspective of profitability and cashflow - and that other data (e.g., Ops, Marketing, and Sales) are all tied back to $
- Cheaper and better quality than what a company can get on the open market

PMC: HOW DO YOU RELATE TO YOUR CLIENT? WHAT DO YOU AND THE CEO HAVE AS COMMON GOALS?

COMPANY: The most important way we connect is that we are all business people. Our senior team knows what it's like to run a firm, have difficult deliverables, and make tough decisions. So, we connect with shared hard-won professional experience which leads to true empathy. It might sound hokey…but it's true. We've all been through the grinder. Yes, we can deliver great results. A lot of people can. But always try to remember what the client is going through and make sure that we respect their journey since they are in the arena.

PMC: HOW DOES YOUR EXPERIENCE AND ADVICE HELP PREVENT YOUR CLIENT FROM MAKING COSTLY PREVENTABLE ERRORS? FOR INSTANCE; DO YOU HAVE A PRE-ENGAGEMENT CLIENT CHECKLIST AS PART OF YOUR INTERNAL DECISION MAKING PRIOR TO ACCEPTING THE CLIENT?!

COMPANY: We have an extensive onboarding process that is very effective at highlighting major financial risks to the client. Then it's a matter of walking the client through those findings with respect and assessing their willingness to address. The willingness to accept exposure and risk is the client's decision, and we honor that.

On the topic of being the right fit for a client, we have a saying we like to tell every potential client - don't call us unless there is something to count. Yes, I know it sounds corny, but its comedy gold for a CPA. We won't take an engagement unless the client and our firm are both set up for success. That means the client has to have a real need for us, we have to be confident we can solve their problem, and the budget expectations have to be in alignment as well. If any of those are out of alignment, we have to say no or we risk ending up in a situation where no one is happy.

PMC: LET'S DISCUSS WHAT A POSITIVE OUTCOME LOOKS LIKE FOR YOUR CLIENT.

COMPANY: We can offer a lot, but we don't like to upsell with a new client. We believe in "business biology" – the growth of the relationship is a function of vigilant leadership, technical competency, timely performance and fair pricing.

PMC: CAN YOU SUMMARIZE EVENTUS' SUCCESS AND WHY YOU'VE BEEN IN BUSINESS AS LONG AS YOU HAVE AND HOW YOU OWE IT TO YOUR STAFF'S CUSTOMER SERVICE!

COMPANY: It's a combo of hiring great people, giving them best in class tools and procedures, and putting culture first – which then lets you have high standards for everyone. All of those elements are important since what we do is a team sport. It's rarely one person who does the entire client delivery. You need a well-functioning team both facing the client and supporting our client facing teams to deliver top notch service. The team, processes, and culture all reinforce each other. Put all that together, and you then have a recipe for delighting customers.

Neil Reithinger

Managing Partner & Capital Markets Practice Lead
Neil is the President and Managing Director and founded Eventus Advisory Group, LLC in 2009. He is an experienced CFO and CPA with over 25 years' experience in the public markets. Neil has served in a broad range of industries including life sciences, consumer products, energy services, and manufacturing. Neil's expertise in accounting and drive for efficiency has led him to successfully create initiatives that streamline finance and accounting processes and corporate governance, establish and maintain SEC compliance programs, develop capital markets and public market strategies, restructure and optimize operations and spearhead due diligence for financings and acquisitions.

Neil is a health and fitness nut who loves to cook (especially salmon) and classic muscle cars. When not at the gym, he loves spending time at his son's baseball tournaments

MICROCAP M&A AND BUYOUTS

WHY THE TREND CONTINUES AND NOT SLOWING DOWN WITH MATHIEU MARTIN, RIVEMONT MICROCAP FUND

LET'S PICK UP FROM THE LAST Q&A WE DID FOR THE MAGAZINE, WE ASKED YOU TO LOOK AHEAD IN 2024 AND IF WE EXPECT THIS TREND OF CANADIAN MICROCAP BUYOUTS TO CONTINUE. HERE WE ARE, TOWARDS THE END OF 2024, WHAT'S HAPPENED?

When we did the Q&A last year, I fully expected the M&A trend to continue as long as valuations stayed depressed, and that's clearly what happened.

Mathieu Martin

Twenty Canadian smallcaps and microcaps were acquired in 2024 (deal values below $1 billion) in varied industries such as technology, retail, healthcare, renewable energy, cannabis and online gaming.

That's over $3.6 billion in total deal value or an average of $181 million per transaction.

Shareholders received an average premium of 64% on those twenty transactions, including a high of 270%! That is quite significant, especially considering that the acquirers still expect to generate meaningful returns on investment even after paying these premiums. It shows how much Canadian microcaps were undervalued and still are.

Now, who are these buyers?

Last year, the mix was heavily tilted toward private equity firms. While I expected private equity firms to remain active, I predicted we would see more strategic acquirers in the mix in 2024. Well, private equity was still the dominant category this year, with 9 out of 20 transactions, followed by strategics at 6 and management/insiders at 5.

WHAT DO YOU THINK HAS BEEN THE REASON THAT THIS TREND HAS CONTINUED TO PLAY OUT?

We can explain the continuation of this trend in two ways. First, the TSX Venture index, which I'll use as a proxy for the Canadian microcap asset class, has bottomed in November 2023 but remains way off its most recent high of February 2021. From peak to trough, the index experienced a 50%+ decline in two and half years.

The TSX Venture has been left for dead by public market investors. As of September 30, 2024, the equity capital raised year-to-date by companies listed on the exchange was down 11% year-over-year and 30% below its 15-year average. The value traded (trading volume in $ terms) on the exchange was down 8% year-over-year and 43% below the 15-year average. The activity level on the TSX Venture is as depressed as it's ever been, and valuations remain extremely low. That's one reason acquirers smell bargains and look for M&A opportunities in this space.

I mentioned that over $3.6 billion in deal values had been announced this year. This capital has been going directly into the pockets of microcap shareholders, and these investors typically look to redeploy that capital into similar opportunities.

The second aspect to pay attention to is the dynamic in the private equity market. As of July 2024, global private equity firms were sitting on a record $2.6 trillion in dry powder (yes, trillions!), according to S&P Global Market Intelligence. That's a boatload of fresh capital to deploy. The rise in interest rates over the last few years has made it more challenging for private equity firms to use leverage and close large deals with debt financing. That's why we've seen them turn to smaller opportunities such as Canadian microcaps.

HAS ANYTHING CHANGED IN THE LAST 6-12 MONTHS THAT MAKES YOU THINK THE FLURRY OF M&A IN MICROCAPS IS AN ANOMALY?

The flurry of M&A is undoubtedly an anomaly because smallcap and microcap valuations have been at generational lows, combined with a significant amount of capital in private equity looking for deals.

Recently, we've seen central banks in Canada and the US start to decrease interest rates, which I believe will ease some of those dynamics. While I pay very little attention to the macro, it's generally true that lower interest rates are favourable to smallcaps, leading to better valuations over time. Lower interest rates should also improve the financing environment for private equity firms, leading them to refocus on larger opportunities to deploy all that dry powder.

Another dynamic investors should not overlook as a result of all the buyouts in 2024 is the capital inflows in the sector. I mentioned that over $3.6 billion in deal values had been announced this year. This capital has been going directly into the pockets of microcap shareholders, and these investors typically look to redeploy that capital into similar opportunities. Meanwhile, the pool of investable opportunities has been shrinking, leading to more capital chasing fewer deals. As capital inflows push share prices up and create momentum, we finally see a resurgence of interest in microcap stocks.

I'LL ASK THE SAME QUESTION I DID IN THE LAST Q&A, DO YOU EXPECT M&A IN MICROCAPS TO CONTINUE? AND, IF SO, WHY? AND, DO YOU EXPECT THE SAME FREQUENCY OF DEALS BEING DONE?

Since the beginning of the year, we've seen valuations in high-quality microcap names start to move up quite dramatically. Don't get me wrong, there are still a lot of opportunities out there, but the most obvious bargains have been scooped up. You have to work a little harder now. And private equity firms also have to work a little harder.

The market is moving towards equilibrium. Eventually, valuations will get high enough that acquirers can't offer large enough premiums to entice public shareholders to sell or privatize their holdings. Are we there yet? I don't think so. But we're getting closer.

Based on the upward trajectory Canadian microcaps have been on lately, I guess we'll start seeing a slowdown in M&A transactions in 2025. At least, that's my hope as a long-term investor in this space!

For more information about Rivemont MicroCap Fund, please visit: https://rivemont.ca/en/rivemont-microcap-fund/

Mathieu is responsible for the portfolio strategy and oversees the research and analysis process for new investment ideas. Being active in the microcaps sector since 2014, Mathieu has been able to develop his network and forge solid relationships with various stakeholders, which leads him to find some of the best microcap opportunities in North America.

Mathieu has been involved with Rivemont since 2018. He brings with him an exceptional knowledge base, having participated in dozens of conferences, and having met hundreds of management teams over the years. He also holds the CFA (Chartered Financial Analyst) designation since November 2020.

Q&A WITH INNOVATIVE FOOD HOLDINGS

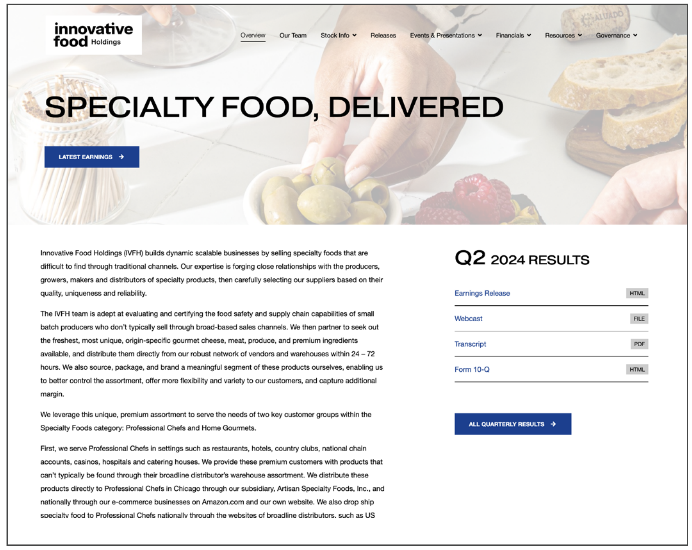
1. LET'S START WITH A QUICK OVERVIEW OF THE COMPANY.

Innovative Food Holdings (IVFH) is a specialty foods distributor to professional chefs, restaurants, and foodservice establishments across the United States. Through our foodservice distribution platform, we connect top-tier suppliers and unique artisan food producers with chefs seeking premium ingredients. Our business spans across various sales channels, including partnerships with broadline distributors (e.g. US Foods, Sysco), airline caterers (e.g. Gate Gourmet, LSG Sky Chefs), e-commerce (Amazon), retail (undisclosed), and direct relationships with restaurants. Over half our revenue comes from our unique drop ship business, where we connect small local vendors to our much larger national sales channels. Vendors love the opportunity to play on a bigger stage, and our large partner channels appreciate the opportunity to extend their catalog offering without investing in or managing inventory. This unique platform means we have a dynamic flywheel where adding vendors grows our sales channels, which in turn makes our platform more appealing to new vendors, all within a profitable, capital-light business model.


Bill Bennett, CEO, Innovative Food Holdings

2. 2024 IS PRETTY MUCH IN THE BOOKS. WHAT ARE SOME HIGHLIGHTS FOR THE COMPANY FOR 2024? DID THE COMPANY ACCOMPLISH ALL THE GOALS IT SET FOR ITSELF IN THIS CALENDAR YEAR?

2024 was a pivotal year for Innovative Food Holdings as we continued to execute our three-phase profitable growth strategy (1. Stabilization, 2. Laying the Foundation for Growth, and 3. Build and Scale). This strategy will help us achieve our 100-10 plan, achieving our first $100M in revenue, and our first $10M in adjusted EBITDA. One of our major accomplishments this year was completing the divestiture of all of our unprofitable segments, such as our direct-to-consumer e-commerce businesses, which marked a critical step in optimizing our operations and improving profitability. We also returned to revenue growth in our Specialty Foodservice business, a key milestone in our Stabilization phase. Despite some challenges in the first half of the year, including headwinds from a large customer's technology platform transition, we remain on track to end the year strong. We've launched two new major sales channels, one with a top 10 retailer, and one with a top 5 broadline distributor. We also announced our first acquisition, an Organics distributor in Denver, CO called Golden Organics. They have TTM revenue of $6.8M and adjusted EBITDA within our 3-5X target range, at a total cost of $1.75M. In our existing business, our Artisan Specialty Foods business in Chicago and our airline catering partnerships were also strong performance, showing high single-digit growth. While we are pleased with the progress made, we believe we are just getting started and have significant upside as our growth plans continue to play out.



3. ARE THERE ANY INDUSTRY TAILWINDS TO PUSH FORWARD SOME OF THE COMPANY'S GOALS AND OBJECTIVES FOR 2025?

Yes, there are several industry trends that align well with our goals for 2025. The ongoing consumer demand for high-quality, specialty, and fresh ingredients is a significant tailwind. Chefs and restaurants are increasingly prioritizing premium and sustainable products, which positions IVFH's curated offerings perfectly within the market. Additionally, the continued recovery of the foodservice sector post-pandemic, coupled with increasing travel and tourism, is driving demand for products in our airline catering and hospitality channels. The shift towards local sourcing and transparency in the supply chain is also creating opportunities for us to partner with small suppliers, particularly in the fresh and perishable categories, where we've already made significant inroads. We are also seeing growing interest in retail partnerships, where our expertise in foodservice can be leveraged to supply high-quality products to broader audiences, while reducing in-store labor and centralizing difficult in store processes (like the cutting and wrapping of gourmet cheese).

4. LOOKING AHEAD, FROM WHAT YOU CAN TELL US, WHAT ARE SOME OF THE COMPANY'S VALUE CATALYSTS FOR 2025?

Looking forward to 2025, we expect several key value catalysts to drive growth. First, the recent announcement of our new retail business is going to be a significant game-changer for us, as we begin supplying the partner's gourmet cheese assortment across several hundred stores. Second, we are focused on expanding our Specialty Foodservice business, particularly through our new broadliner partnership. Third, the divestiture of underperforming assets like igourmet has eliminated significant cost, and freed up resources to reinvest in higher-margin opportunities, positioning us to improve profitability. Third, our recent purchase of Golden Organics is poised to unlock new opportunities, as we bring their assortment onto our national sales channels, and begin cross-selling our drop ship assortment to their customers in the Denver market. Finally, our continued focus on sourcing fresh, high-quality ingredients, particularly in niche markets such as seafood, specialty proteins, and artisanal products, will continue to differentiate us from competitors and drive our platform's profitable asset-light flywheel.

These responses are informed by earnings transcripts and company press releases, highlighting IVFH's achievements and future outlook.

For more information about Innovative Food Holdings, please visit: https://www.ivfh.com/

GETTING THE MOST OUT OF YOUR 1 X 1 MEETING WITH A CEO

Shelly Kraft, Kraft Consulting LLC

PASSION, VISION & CAPABILITY

Passion, Vision and Capability are my three core values that I look for in every company C level management team meeting from my Wall Street years as President of Emanuel & Company, a NYC investment bank to this very day. I still use this criterion when evaluating and fact gathering information on companies. In most cases a conversation with a CEO can provide additional insight into management. The amount of information, data, hearing the vision can be helpful to understand the Company that all the reading about them such as: press releases, 10q or 10k data could uncover, especially if I ask the right questions in the meeting.

Shelly Kraft

I personally prefer an in person 1 x 1 meeting since I admit to being old school and only do a zoom if and when I have to. Back in the day as an underwriter, okay before the Internet, every potential issuer seeking funding came into our office to pitch our investment banking team. Our team would interact with a CEO, CFO and hear their pitch and see how motivated they were and to observe them questioned under pressure to understand their seriousness, sense of humor if any, feel how comfortable they were answering soft and hard questions. I would look at how they present themselves; dress, grooming, and their manners, as well as if they look me in the eyes and act towards me. Interpret their body language. Are they believable, sincere, distracted, do they actually answer the questions and what do they do when they don't know an answer or become uncomfortable with a follow-up question? Are they promoting, exaggerating, or were they flat out lying when later fact checked? Do they have their facts straight or seem wishy washy on certain subjects? Are they passionate when they speak about their own C suite colleagues and employees? Do they have a family, what do they do for fun, what are their hobbies and who is this person in general? How long have they been doing what they're doing and if I get a sense that they are enjoying their role in their business and content with their life or would they want to do something completely different. I will ask for their opinion on topics outside of business or ask about their competition and see what they know about them. Do they like their service providers, lawyers, accountants, outsourced contractors and get a sense of how long they have used them with satisfaction or if they are constantly changing and why? I also want to know about their relationship with their board of directors. One can learn a lot from asking questions not normally asked in most 1 x 1 meetings or not covered in a presentation to an audience or in many due diligence meetings. One practical common thread is how would the CEO perform in front of investors? I have seen from amazing to disaster.

Nobody's perfect. I once backed out of a deal when at dinner a CEO poured ketchup over his swordfish steak! Another time we funded a company, and the C suite CEO, CFO and COO deposited the underwriting money and headed to their local Mercedes Benz dealership to buy 3 new cars! I was not happy to say the least.

Many questions require examining how well CEOs know their customer and their product, two very essential corporate responsibilities. This can get deeply involved and lead to a discussion about their 30 second elevator pitch, or discussion regarding their slide deck and presentation. For many CEO's their 30 second pitch is 5 -10-20 minutes of run on and lost listener attention. From this I want to hone in on what their goals and objectives and discuss milestones. Prior success is really important. It's also key to ask what their exit strategy is to see if they have one or are they one foot out the door or totally committed. Are they in it for the money, the stock, the prowess, what's their motivation and original reason if they founded their company? I often ask how they handle negative press, unhappy shareholders, avoidance of lawsuits, timely reporting and editing of press releases. What's their take on Investor Relations? What's the most important task in their day-to-day routine and who do they reach out to when they become seriously frustrated. The tempo and order of the questions asked is important so the flow of responses can show a trend. It never ceases to amaze me how every conversation with each CEO is so different, however, we are humans after all, and comparisons are essential to differentiate the A+ manager from the C- leaders.

At this point you must be wondering how a 30-minute 1 x 1 meeting can possibly fit in all my questions and answers plus my incessant banter and storytelling but in all sincerity, I always run out of time. And I don't ask all these questions, I try and find the right flow by listening and watching their reactions. I do take notes, but my interaction gives me an impression I am looking for, and the numbers in the financials don't lie.

Note: This article is not an attempt to provide investment advice. The content is purely the author's personal opinions and should not be considered advice of any kind. Investors are advised to conduct their own research or seek the advice of a registered investment professional.

WHY INVESTORS CAN'T AFFORD TO IGNORE ASIA

Drew Bernstein CPA, Co-Chairman of MarcumAsia

PMC: YOUR FIRM HAS REALLY MADE A NAME FOR ITSELF AS THE GO-TO AUDITORS FOR ASIAN COMPANIES COMING TO LIST HERE IN THE U.S. HOW DID YOU CHOOSE THIS MARKET, AND WHAT ARE SOME OF THE CHALLENGES?

Drew Bernstein CPA

I'd like to tell you that I had the tremendous foresight to know that Asia was going to transform the global economy when I first went over 30 years ago, but I must admit that the opportunity found me. I still remember my first trip to China when I visited a company in the far north, on the border of North Korea. It was freezing cold, everything was covered in mud, no one spoke English, and the Chairman had the crazy idea he was going to list on NASDAQ and build a world-class resort. And I was just crazy enough to want to be the auditor. Fast forward 30 years, and Asia is now 100% of our business.

In choosing a market niche, in my experience, you want to find an area where there is a lot of demand, but it's difficult enough that most people can't or don't want to compete. That's Asia cross-border deals in a nutshell. You have language difficulties, cultural differences, and regulatory and geopolitical complications. Most of our competitors just haven't been able to make the investment to be successful under those conditions. The tougher it gets, the more of them fall by the wayside.

PMC: HOW DO YOU FIND THE STATE OF INTEREST IN THE INVESTMENT COMMUNITY IN ASIA TODAY?

I tell people that whether they want to invest in Asian companies or not, this is a region they cannot afford to ignore. When it comes to green tech, whether it be EVs, solar, wind, or batteries, China is setting the pace and dominating those industries. Other examples include TikTok in social media, Shein for fast fashion, and Temu for e-commerce – each of them is turning the industry on its head, for better or worse. I feel very confident that many of the unicorn companies that are going to have the biggest impact on the global economy over the next decade will be coming out of Asia. So, even if you only invest in American companies, you can't afford to take your eyes off what is happening in Asia because it will shape your opportunity set.

PMC: IF A COMPANY IS CONSIDERING COMING TO THE AMERICAN MARKETS TO RAISE MONEY IN AN IPO, WHAT IS THE MOST IMPORTANT ADVICE YOU CAN PROVIDE THEM?

Sometimes, you need to slow down to speed up. We often find that a company based in Malaysia, Vietnam, or Hong Kong has been told that if it comes to the U.S., it can raise money fast. So, the Chair is in a huge hurry to kick off the fundraising and get on file with the SEC. But they don't have a PCAOB audit, reliable projections, or a detailed business plan. So, they end up signing with a bunch of professional firms, paying big retainers, and then spinning their wheels for six months to a year.

Until you have an audit completed to U.S. standards, no one who is serious will take you seriously. Because too often, investors have seen the financials change dramatically during the audit process or found that the company can't be audited. They have seen this movie before and don't want to squander their time on something that might not be real.

Once the fundamentals and systems are in place, all the professionals can work efficiently, and the process can move quickly. You are positioned to pick your spot when conditions are favorable and the IPO window is open.

PMC: SO, IT SOUNDS LIKE AN AUDIT NEEDS TO BE THE FIRST STEP?

Absolutely. An audit, legal restructuring, and cleaning up the cap table are essential. Without them, you are just wasting time and energy.

PMC: WHEN IS THE RIGHT TIME TO ENGAGE WITH AN UNDERWRITER, AND WHAT FACTORS SHOULD COMPANIES CONSIDER?

We've had experience working with underwriters ranging from the bulge bracket on deals where companies raise hundreds of millions to boutique banks on IPOs where proceeds may be under $10 million and everything in between. So, I advise finding the bank that is genuinely enthusiastic about the story, who you can see continuing to work with in the future, and who can continue to provide some coverage and support after the deal has closed.

One thing that management rarely does, but I highly advise, is to talk to the last three or four issuers that the bank brought public. Find out what their experience was like and how well the outcome lined up with what was promised. Otherwise, it's like having open heart surgery without knowing how many of the patients survived or if the doctor even has a medical degree!

PMC: HOW DOES MARCUMASIA STAND OUT FROM YOUR COMPETITORS IN ASIA AND THE US?

I can say with confidence that we have a level of human capital and presence on the ground that no one else can match when it comes to cross-border deals from Asia, not even the Big Four. We have more auditors trained in PCAOB audit standards and US GAAP and IFRS accounting than anyone else out there. We have five offices in the PRC, one in Hong Kong and another in Singapore, to serve Southeast Asia. We are working with clients across mainland China, Japan, Hong Kong, Singapore, Malaysia, Vietnam, Indonesia, and Thailand, and we have reached basically every market in the region.

We have also made an enormous investment in audit quality, hiring several Mandarin speakers who have worked at a senior level at the PCAOB. I think what people don't appreciate is that we are in a whole new regulatory environment these days. Firms that take shortcuts or don't have robust compliance programs will have the licenses pulled. The days of jetting in to do a quick and dirty audit are over. You must have the team on the ground and the oversight at a high level.

PMC: I KNOW SOME COMPANIES AND BANKERS COMPLAIN ABOUT AUDITS SLOWING DEALS DOWN. WHAT DO YOU SAY TO THAT?

I would say that the companies that complain usually didn't want to bring in the right internal talent or consultants to establish their financial reporting and internal controls before the full audit gets underway. Again, you skimp a bit up front and end up wasting lots of time and money later.

We have a culture of being very responsive and laying out up front exactly what will be required to be successful. But sometimes, other parties may want to take shortcuts. Our goal as auditors is to increase the probability that our clients will be able to take advantage of market windows while providing a quality audit so that investors and regulators can have confidence in the financials.

PMC: IT SOUNDS LIKE YOU REALLY HAVE THE CLIENT'S BEST INTERESTS AT HEART. IF A COMPANY OR INVESTMENT BANKER WANTS TO GET IN TOUCH WITH YOU, WHAT'S THE BEST WAY?

I am a big believer that half of the secret to business development is returning phone calls and emails! My email is drew.bernstein@marcumasia.com, and my phone number is (646) 442-4811.

Drew Bernstein, Co-Managing Partner *Marcum Bernstein & Pinchuk* (MBP)– a leader in SEC audit, accounting and consulting services to Chinese companies seeking access to capital markets.

In 1983, Drew Bernstein co-founded Bernstein & Pinchuk. Additionally, he co-founded MarcumBP, which is a member of the Marcum Group and an affiliate of Marcum LLP, a leading U.S. accounting and advisory firm. Both firms have multiple offices within the United States and Asia.

Bernstein is a distinguished expert with deep knowledge of the China and U.S. financial ecosystem with experience extending across Asia, Europe and Africa. Industry experience encompasses technology, retail, manufacturing, hospitality, pharmaceutical and real estate. Bernstein directs a global team, featuring highly trained PCAOB and SEC accounting experts and financial consultants working in New York as well as Beijing, Tianjin, Shanghai, Shenzhen, Hangzhou, and Guangzhou.

Additionally, Bernstein is considered a valuable thought leader and news commentator. He has published articles for Forbes.com and China Daily and is a frequently called upon source by prominent media such as China Global Television Network, CNBC, Bloomberg TV, The Financial Times, The South China Morning Post, The Wall Street Journal, Yahoo! Finance, and more regarding Chinese IPOs, China's economic growth, investment appetite, innovation trends, corporate governance, SEC regulations and more.

Bernstein graduated from the University of Maryland with a B.S. in Accounting. Currently, he resides in New York City with his wife and children.

About MBP

Marcum Bernstein & Pinchuk LLP (MBP) offers specialized audit and advisory services to support SPAC sponsors and SPAC targets in Asia. MBP and its parent company, Marcum LLP, have been involved in more SPAC transactions than any other audit firm. MBP is the only audit firm to have a dedicated SPAC team for Asia. MBP performs all audits for Marcum in Greater China, and MBP is a top-five auditor for Chinese companies listed in the United States.

The dedicated SPAC team has worked with SPAC sponsors, underwriters, and targets. MBP draws on wide-ranging experience with the initial public offerings and subsequent business transactions forged by such companies. MBP has designed its audit platform to deliver the technical expertise, efficiency, and urgency required by SPAC IPOs. This includes high-quality, PCAOB-compliant audits for private Asian companies that are contemplating entering a SPAC merger.

Website: U.S.: https://www.marcumbp.com;
China: https://cn.marcumbp.com

HOW CAN MICROCAP COMPANIES BENEFIT FROM EXECUTIVE RECRUITERS?

Kelly Anderson CPA, Founder, CXO Inc.

PLEASE EXPLAIN THE CXO STRATEGY FOR PLACING C LEVEL INDIVIDUALS IN PRE-IPO AND PUBLIC COMPANIES?

CXO is a full service executive recruiting firm. CXO partners with companies to help fill their executive talent requirements. Our approach and understanding of the market and finding the right fit for the existing team is key to our success.

Kelly Anderson, CPA, Founder

WHAT IS THE SECRET SAUCE YOU USE TO MATCH CANDIDATES WITH CLIENTS?

Our team have been executives and understand what it takes to be an executive. We have the ability to screen for the "softer" skills an executive requires. We take the time to understand the organization dynamics and culture.

HOW DOES FRACTIONAL PLACEMENT WORK?

Fractional placements are more difficult as you are "sharing" your executive resource with other companies. You need to understand that you will be competing for time and at critical moments, may not have 100% focus of the executive. Most fractional executives are very good at juggling multiple clients and commitments. The executives need to have a very strong communication and report between each other, as you are often passing the baton.

WHY ARE SO MANY COMPANIES STRUGGLING TO FIND QUALIFIED INDIVIDUALS TO FILL POSITIONS IN SMALL AND MICROCAP COMPANIES?

Small and microcap companies are a challenge. They typically are underfunded and generally cannot pay market rates. The promise of stock is usually not enough to lure the talent needed. Executives continually weigh the potential for achieving results in a microcap/small cap space with their own career goals

HOW ARE FRACTIONAL EMPLOYEES VIEWED BY INSTITUTIONAL AND RETAIL INVESTORS?

Given a choice, the investors would prefer a dedicated executive, but realize that they ability to pay for the full time executive creates a conundrum. The most successful fractional executives have been in micro/small cap companies for awhile and are well known in the industry. Newcomers have a lot to prove and need to be hyper diligent in the needs of the company and investors.

HOW OFTEN DO TEMPORARY POSITIONED EMPLOYEES BECOME PERMANENT?

For the executive, its most of the time, unless the company is in wind down mode. It's very hard to operate a business without the executive team. It's just a matter of how is the team compromised and how to split the executive duties.

DO YOU ALSO PROVIDE BOARD MEMBERS?

CXO does provide board members. Our executives have public company experience, know a lot of qualified board members and can be a very valuable resource to a public company. The board search is very different, as the alignment with management and the growth/strategy is key. No one wants a board member that is not on board with the corporate goals/strategy. It is a fine line board members walk between achievement/support of the goals and the realistic timeline/costs to achieve the goals.

HOW WOULD YOU DESCRIBE THE FUTURE OUTLOOK FOR YOUR COMPANY?

CXO has a great outlook. We have great clients and resources. It's always a pleasure to be able to match the resources with the companies. One of our unique characteristics is that we partner with our clients. Since our team have sat in the executive roles, we are more qualified to support and partner with our clients.

Kelly is an experienced strategic Board Member, Business Owner and Retired Chief Financial Officer. With over 30 years experience in the acct/finance arena, Kelly has demonstrated strong organizational achievements in a diverse group of industries.

During her CFO career, she was a strategic member of the executive team. She takes re-sponsibility for reporting performance, trends and business issues that affect the execu-tion of company goals. These roles require working closely with the CEO, the Board of Di-rectors and senior management to present and communicate company-wide achievements and provide ideas on how to seize new opportunities and mitigate shortfalls. Her experience includes notable companies: Fisker Automotive, First American Title and T3 Motion, Inc.

She has executed successful initial public offerings, follow-on offerings, mergers and ac-quisitions; creating value for investors and liquidity for ownership and management.

Email: Bod.Kelly.Andersongmail.com
Phone: 714.313.0393

WHAT ARE TODAY'S MICROCAP MARKET MAKER'S SERVICES?

Eric Flesche, Glendale Securities, Inc.

PMC: PLEASE PROVIDE A BRIEF OVERVIEW OF GLENDALE SECURITIES.

Glendale Securities is a full-service boutique market maker & broker dealer that services retail, institutional, and issuers with a focus on microcap equities.

PMC: WHAT SERVICES DOES YOUR COMPANY PERFORM?

Institutional

- complex structured finance deposits and transaction execution services
- restricted & registered certificate/DWAC/DRS deposits and corresponding transaction execution services
- buying and selling equity securities including listed and microcap securities
- active order handling by professional traders so you can focus on your business

Retail

- restricted & registered certificate/DWAC/DRS deposits and corresponding transaction execution services
- buying and selling equity securities including listed and microcap securities
- active order handling by professional traders, no need to watch the market all day

Issuers & Affiliates

- market making
- 10b-5 plans for insiders
- issuer buyback programs
- DTC Eligibility
- Form 211 filing with FINRA pursuant to Rule 15c2-11 for proprietary electronic quotations:
- To resume quotations after delinquency
- To initiate quotations for the first time (IPO)
- To maintain continuous quotations after falling off national securities exchange
- OTCQB/QX application assistance

PMC: HOW IS YOUR CUSTOMER SERVICE PERSONALIZED AND DIFFERENT FROM OTHER MARKET MAKERS? INCLUDING RETAIL AND WHOLESALE COMPETITORS?

Form 211 filing with FINRA pursuant to Rule 15c2-11 for proprietary electronic quotations:
Issuers are taken through the Form 211 process by our associates that are dedicated to filing Form 211 applications. We have associates who specialize in US issuers, and other associates that focus on foreign issuers. Our documentation is custom tailored for each situation, streamlining the process. When the form 211 review is completed by FINRA, we can assist with the OTCQB/QX application process.

Issuers that are already quoted seeking additional market makers:
Issuers, does your current market maker take your call? Our traders are ready to provide issuers with information about the market utilizing their decades of experience making markets.

PMC: CAN AN ISSUER REFER INVESTORS AND SHAREHOLDERS TO YOUR COMPANY IF THEY WANT TO OPEN AN ACCOUNT TO BUY AND/OR SELL?

Absolutely, this is how we obtain most of our accounts. We specialize in the complex regulatory requirements for depositing microcap securities. In addition, we allow purchasers to buy microcap securities where other broker dealers may not allow opening buy transactions or even trading in general.

PMC: WHAT KIND OF STOCKS CAN YOU TRADE? SMALL, MICRO AND NANO CAPS? PREFERRED, COMMON, WARRANTS ETC.?

All of the above. With untraded warrants, convertible preferred, convertible debt or other convertible securities, our staff can assist with the conversion into common.

PMC: DO YOU TRADE STOCKS LISTED ON NASDAQ, OTC MARKET OTCQB, QTCQX, OTCID, PINK LISTED, CBOE, OR FOREIGN EXCHANGES?

Glendale Securities is a member of NASDAQ, CBOE, NYSE Arca. We can trade on OTC Markets OTC Link platform for OTCQB, OTCQX, and Pink Sheets.

We specialize in the complex regulatory requirements for depositing microcap securities. In addition, we allow purchasers to buy microcap securities where other broker dealers may not allow opening buy transactions or even trading in general.

Our staff has decades of experience with these markets.

Glendalesecurities.com

Note: This article is not an attempt to provide investment advice. The content is purely the author's personal opinions and should not be considered advice of any kind. Investors are advised to conduct their own research or seek the advice of a registered investment professional.

WHY AND WHEN DOES A MICROCAP COMPANY REQUIRE A LITIGATOR?

Jon Uretsky Esq., PULLP

PMC: WHY IS PULLP KNOWN AS THE "MICROCAP LITIGATORS"?

Jon Uretsky, Esq.

We've been working in the microcap space for the entirety of the firm's history – since its founding in June 2004. This is our 20th anniversary year. When we started out, though, we weren't planning on having this much of a specialty in the space. But as luck would have it, we landed a then notorious case back in 2005 which was in hard copies of newspapers (back when people still read them). We were able to prevail against the SEC in that case, and immediately afterwards, we began getting unsolicited phone calls asking to talk with "that microcap litigator." I'm no marketing guru, but if enough people in the space use that term to describe you, you eventually adopt it and run with it. I wish I could take credit for it, but it wasn't my idea.

PMC: YOUR TAGLINE IS: "THE LAW FIRM YOU DON'T NEED UNTIL YOU DO" COULD YOU PLEASE EXPLAIN?

Most microcap companies don't have sufficient funding to accomplish their business goals. They don't have the funds of say, Amazon, to set aside for compliance and legal internally. They skate by hoping nothing problematic happens, budgeting just enough for required filings. That's great, until suddenly it isn't enough anymore. This can be a lawsuit, a subpoena from the SEC, a demand letter from a letter or investment banker, etc. Something out of the ordinary – a problem which you aren't prepared for at all. We're fixers.

PMC: WHAT TYPES OF CASES DO YOU HANDLE?

Within litigation and regulatory work, we really handle everything. This runs the gamut from FINRA exams and SEC subpoena responses to major multimillion dollar cases worth in the tens of millions of dollars. We just settled a matter against the SEC where clients accused of facilitating $1.2 billion in penny stock trade will pay less than $100K each. In our last trial, worth $31 million, we successfully kept two partners of an investment company from owing anything. But more often cases involve the disputes between lenders and companies, which can often be settled for numbers lower than $1million.

PMC: HAVE YOU EVER WON AN UNEXPECTED VICTORY AND HOW DID IT HELP YOUR PRACTICE?

Honestly, no. I mean, I suppose it depends on how you define "unexpected victory" but one of the reasons we've been so successful is we're quick to assess likely results, paths to certain results, and develop litigation strategies to get our clients to those results. If we think we'll lose, we'd settle. Sometimes we have won earlier on in a case than expected. I'm referring to our recent track record on motions to dismiss. But those are matters where we expected a victory and just obtained it much earlier on in the case than we expected. As for helping the practice, when that happens the clients pay hundreds of thousands less to us than they otherwise might have, so those unexpected victories, ironically, hurt the practice because we make much less money on each one.

PMC: WHERE DO YOUR REFERRALS COME FROM?

Company: Mostly other professionals in the microcap space. Having successfully built a reputation as the premiere microcap litigation firm years ago, we now often receive referrals from transactional law firms that don't have a litigation practice. In addition, we've been lucky enough to receive referrals from other professionals such as CPAs, insurance brokers, IRPR firms, investment bankers and the like.

PMC: WHAT SATISFACTION DO YOU GET FROM ASSISTING CLIENTS?

I mean, everyone always wants to win, right? I've been doing this since the late 90s, so at some point maybe that will change for me, but after 25 years, that drive to win never goes away. I'm probably just overcompetitive. But most cases settle – so we don't "win" many, even though we don't lose either. The thing that makes those cases so satisfying is that, inevitably, the adversary will overplay their hand. Take the SEC, a common adversary for us. To be fair, most of the time, if there's an investigation or lawsuit, some wrongdoing – violations of securities law – occurred. But when the SEC asks for a full industry bar and tens of millions, meaning life altering problems for clients, there's a huge satisfaction in obtaining a negotiated resolution that simply allows the client to keep working in the space.

PMC: WHAT DOES PULLP STAND FOR, SEEMS LIKE INQUIRING MINDS WANT TO KNOW?

I really need to come up with a quip involving Tarantino or at least orange juice, don't I? It's just a trade name – nothing more than that. When we started the firm 20 years ago, it was called Phillipson & Uretsky, LLP – which quickly became a mouthful whenever we had to spell out our full emails. So after a few years, we rebranded the emails and website to pullp.com based on the initials, then the swag followed, and before long most people knew us as PULLP. Then, when Faun Phillipson left the firm to become a judge, ethical rules required the name to be changed. So we changed it legally to PULLP, so we didn't need to change any of the emails, swag, etc. I know a clever anecdote about "Pulp Fiction" would make for a better answer, but I haven't thought of one yet.

PMC: PLEASE SUMMARIZE THE CLIMATE AND LANDSCAPE OF REGULATORS AT THIS TIME AND WHAT'S SEEMS TO BE ON THEIR AGENDA?

That's a huge question, so I'm going to limit my response to just the Enforcement arms of the regulators. There is a difference! But even with that limitation, regulation by enforcement is growing. In Fiscal Year 2023, nearly $5 billion in financial remedies was ordered by the SEC last year, including civil penalties and disgorgement — the second highest amount in SEC history. It also obtained orders barring 133 individuals from serving as officers and directors of public companies, the highest number of officer and director bars obtained in a decade. Some of the areas of particular focus were, as always, financial fraud and issuer disclosures, but we also saw cases involving gatekeepers (such as auditors and lawyers), crypto assets, cybersecurity compliance, and environmental, social and governance (ESG) issues.

PULLP, "The Microcap Litigators" is the premiere law firm specializing in microcap litigation. Jon Uretsky is the founding and managing partner of PULLP. Mr. Uretsky has a broad multidisciplinary practice that includes extensive experience in litigation and dispute resolution, regulatory investigations. In addition, he counsels corporate boards, board committees (including special committees) as well as being a personal adviser to many entrepreneurs, business leaders and corporate executives. He has counseled clients on significant litigation, regulatory and transactional matters across multiple industry sectors. Additionally, the PULLP team has extensive experience negotiating mergers and acquisitions (including reverse mergers); domestic and cross-border investments/joint ventures; the representation of private equity; venture capital and other private investment funds; securities offerings; and private and public financings.

PULLP.com

MAKING FINANCIAL TRANSACTIONS MORE SIMPLE

Lynne Bolduc Esq.
Partner at FitzGerald Kreditor Bolduc Risbrough LLP

PMC: BRIEF OVERVIEW AND SHORT PERSONAL BIO

I've been practicing law for so long, I'm finally good at it! I got my start in the financing world over 30 years ago as in-house legal and compliance at investment banks where I learned from the inside what bankers and investors want to see in a company and how to structure deals that sell. I now run my law firm's corporate and securities department where we specialize in making financing transactions as simple as possible.


Lynne Bolduc Esq.

More detailed information on our firm and all of our attorneys is available on our website at www.fkbrlegal.com.

PMC: DO YOU REPRESENT PRIVATE, PRE-IPO, AND PUBLIC ISSUERS?

We represent start-ups through public companies in all stages of their growth and development. Because of my background, we also represent investors, investment banks, and funds of all types in their transactions.

PMC: WHAT MAKES YOUR LEGAL SERVICES SPECIALIZED FOR SMALL COMPANIES SEEKING CAPITAL FORMATION?

We have extensive experience with federal and state securities laws issues, including:

- Conducting private and public offerings
- Mergers and acquisitions
- Preparation of reports and filings with the United States Securities and Exchange Commission ("SEC")
- Listings on the over-the-counter bulletin board ("OTCQB"), NASDAQ, and NYSE
- Broker-dealer issues

PMC: WHAT DIFFERENTIATES YOUR FIRM'S SERVICE FROM YOUR COMPETITION?

Responsive and fast. Here's a comment I received from a client after filing an IPO for them in August:

"Thank you for all of your diligent and quick work. In my 28 years in corporate and specifically working with law firms, you, Lynne and your team have been exceptional."

And this one received upon launching a private offering:

“Thank you for all of your diligent and quick work. In my 28 years in corporate and specifically working with law firms, you, Lynne and your team have been exceptional.”

“We just wanted you to know how much we appreciate all your efforts and support in getting our Reg D going. We officially launch tomorrow and we could not have done it without you. Thank you so much! Seriously, we can’t thank you enough, your knowledge, experience, expertise, and go get ‘em attitude are top notch.”

PMC: WHAT IS YOUR CORE COMPETENCY?

I have structured and implemented billions of dollars’ worth of business and financing transactions, and represented both domestic and international clients in complex transactions across multiple industries. I specialize in crafting creative financing solutions for companies wanting to raise money, go public, sell, or acquire other companies.

PMC: HOW DO YOUR FEES COMPARE WITH OTHER FIRMS?

Because we are a mid-sized law firm with supervising partners with decades of experience, we have the legal expertise you need without the inflated fees you don’t. You will find our rates to be extremely competitive (frankly, low) in the industry for the level of experience.

We also handle a number of tasks on a flat fee basis, such as blue sky filings, subscription agreement review, verification of accredited investors, etc.

PMC: HOW DOES YOUR EXPERIENCE SAVE YOUR CLIENTS MONEY AND HEADACHES?

First, I can answers most questions off the top of my head without research. Call me, ask a question, get your answer, we talked for ten minutes, your bill is $100. That’s it.

Second, having worked in-house at two investment banks, I know how investment bankers work, what motivates them, and what they want to see in a company. I can help you present your company from simultaneous legal compliance and sales perspectives to be attractive to investors and bankers. I can also review and advise you on any arrangements with investment bankers, being familiar with industry standards such as commissions, rights of first refusal, etc.

PMC: WHY SHOULD AN ISSUER CHOOSE YOU AND YOUR FIRM?

The firm is one-stop shopping for businesses and their owners. We can handle any legal matters a business and its owners may need including contract negotiation and drafting; litigation; tax; employment; intellectual property; real estate; lending; corporate governance; mergers and acquisitions; raising money; going public; and public company reporting. We won’t divorce you or get you out of jail, but we can handle everything else.

FITZGERALD KREDITOR BOLDUC RISBROUGH LLP

Lynne Bolduc, Esq.
FKBR Partner, Corporate and Securities

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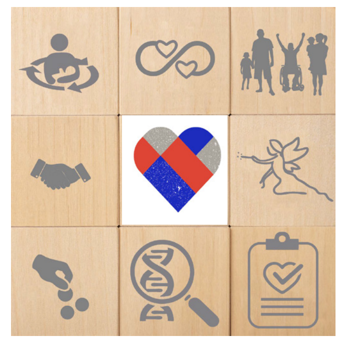
Call for Innovation-Partnerships

Will you support Switzerland's new and first EUROPEAN Campus «**Point of Care 4 Rare**» with its holistic health support program? It stands for patient-centered and specialiced services for families with a rare disease and partner involved.



What can you accieve:

- Innovate healthcare solutions together
- Enhance industry credibility and transparency
- Stay ahead with Corporate Social Responsibility
- Increase employee engagement and retention
- Strengthen community relationships

Our Aim

We are seeking to join forces with innovative companies and sponsores that view themselves as corporate citizens and are committed to building a sustainable future in inovation healthcare based on the principles of the SDG's. Our campus represents a completely new concept in the realm of rare disease support. All partner are sharing our comprehensive, broad-based initiative that leverages collective expertise to make a significant impact. The cornerstones of our direct help approach are counseling, accompaniment, empowerment, and inclusion, all designed to enhance resilience across multiple dimensions.

«*We are proud that, as a partner of OrphanHealthcare, we can provide people with «Rare Diseases» with better quality of life and perspectives. As a modern and innovative business partner we consider the importance to be socially engaged and to take responsibility. Join us too!*»

René Zahnd, CEO of Swiss Prime Site, about his engagement as a Gold-Partner

OrphanHealthcare, Albisriederstr. 243a, CH 8047 Zurich, team@verein-fohc.org

We are a Swiss association for «Rare Diseases» with a holistic and sustainable program for affected families. We stand for education, counselling – accompaniment – enabling – inclusion. OrphanHealthcare is recognized as charity and non-profit under SWISS Law.

Thank you for your kind donation !

FINDING ALTERNATIVE LIQUIDITY PROGRAMS FOR MICROCAPS

SLS GROUP LLC

PMC: PLEASE PROVIDE AN OVERVIEW OF SLS SERVICES.

Our alternative liquidity programs feature securities-based loans for shareholders of publicly traded companies or holders of qualified cryptocurrencies.

PMC: DESCRIBE YOUR TYPICAL CUSTOMER(S) FOR EACH OF YOUR PRODUCTS: MENTION PRODUCTS AS WELL 30-50 WORDS

Our typical borrower uses the funds to pay down debt, purchase a home or real estate, and invest in other opportunities or projects. Our borrowers often hold shares that are difficult to deposit or ineligible for a margin loan from their broker. We help many officers, directors, and affiliates of publicly traded companies find liquidity without selling shares in the open market.

PMC: HOW MANY YEARS OF EXPERIENCE DOES SLS HAVE IN THE MARKET?

We have 30+ years of market experience, and since our founding in 2008, we've helped all types of accredited investors tap into the value of their portfolios.

PMC: WHAT IS THE AVERAGE SIZE OF A TRANSACTION?

Our average size per transaction ranges from $150,000 to $5,000,000. We do not have a cap on how much we can lend; it is solely based on the security's risk profile.

PMC: WHAT TYPES OF PUBLIC COMPANIES DO YOU SERVICE?

We are industry agnostic. We service individual investors, not companies, for this lending product.

PMC: HOW DO YOU STREAMLINE THE PROCESS FOR YOUR CUSTOMERS?

We are user-friendly, given that our loan specialists walk the borrower through the lending process from beginning to end.

PMC: WHAT DOES SLS DO IN ONE OR TWO SENTENCES WHAT WOULD IT BE?

SLS Group is a multi-asset family office located in Salt Lake City that makes direct investments in companies andprovides investors with alternative sources of liquidity.

MOST MICROCAP COMPANIES ARE OVER-INSURED, IS YOURS?

Jason Bishara, NSi Insurance Group LLC

PMC: WHAT SETS NSI APART FROM YOUR COMPETITORS?

Our firm is a Unison Risk Advisors company, the 5th largest independent insurance agency in the United States. Our Microcap Group provides Outsourced Risk Management Solutions for public companies trading under $300mm in market cap. Our intimate knowledge of the microcap industry and proprietary products enable us to excel in this niche market.


Jason Bishara

PMC: HOW DO YOU MEASURE A PUBLIC COMPANY'S NEEDS PERTAINING TO COVERAGE?

Public companies' needs are assessed thoroughly by analyzing current cash position, anticipated and completed financing activities, industry risks, company specific, regulatory compliance, and financial exposures, ensuring optimal coverage alignment.

PMC: IS IT YOUR EXPERIENCE THAT MOST COMPANIES ARE UNDER-COVERED OR OVER-COVERED?

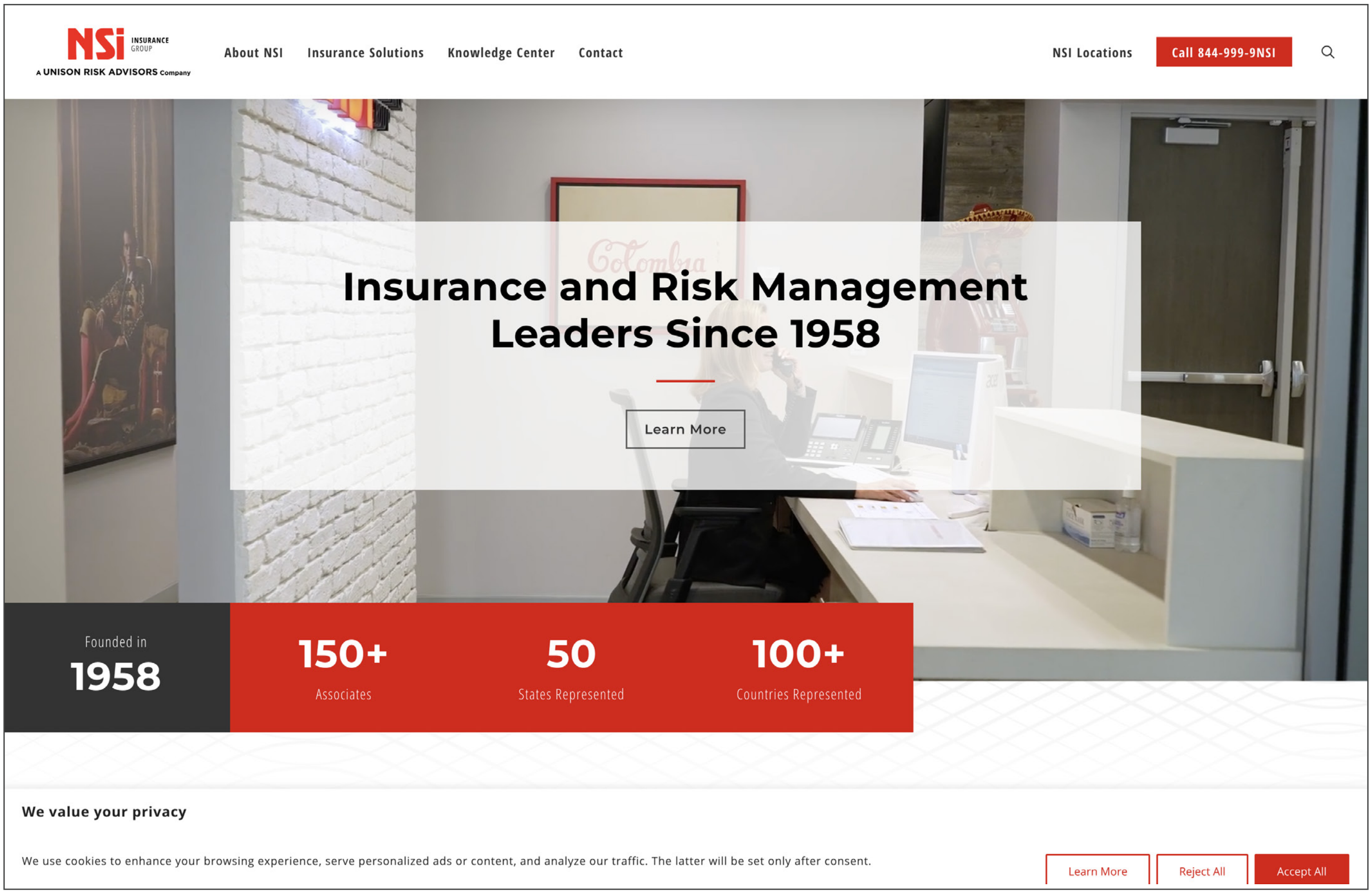
Most microcap companies are over-insured, or the insurance program is improperly structured leading to higher premiums. The key to properly insuring microcaps is to have a keen understanding of how this market functions. Providing a comprehensive risk management plan to a company that has strong financials is very different from insuring a microcap that is cash constrained but requires coverage to meet board demands and/or transactional requirements.

PMC: PLEASE DESCRIBE THE BASIC LIABILITY POLICY EVERY PUBLIC OR PRIVATE COMPANY MUST HAVE?

All public companies should complete a comprehensive analysis of their coverage to identify risk exposures. This analysis should be reviewed with the board of directors to discuss the level of risk and the cost of purchasing insurance to transfer the risk from the company to the insurance carrier. With that said, in my opinion ALL public companies should have a comprehensive executive risk program to protect their personal assets from corporate exposures. This includes D&O, CYBER, EPLI, and Crime.

PMC: PLEASE DESCRIBE THE CYBER SECURITY ISSUES AND HOW THEY AFFECT INSURANCE COSTS?

Cybersecurity threats pose significant risks, influencing insurance costs based on a company's data protection measures, incident response plans, and



vulnerability management strategies. Detailed policies and procedures with dedicated personnel to Cyber and IT infrastructure will help manage exposures and cost.

PMC: WHEN A COMPANY'S OFFICERS AND DIRECTORS ARE SUED BY REGULATORS, ARE ALL LEGAL, PENALTIES, AND SETTLEMENTS COVERED BY INSURANCE WHETHER FOUND GUILTY OR INNOCENT?

Insurance coverage may mitigate legal costs, penalties, and settlements for directors and officers, subject to policy terms and conditions. All D&O policies have fraud exclusions which only kick in if there is a final finding of fraud by a court. The D&O policy would defend against allegations of fraud but if there is a subsequent finding then the policy would cease providing any defense and the carrier would most likely want to claw back any defense costs paid to date.

PMC: DOES NSI DO COVERAGE/COST ANALYSIS AND/OR COVERAGE EVALUATIONS OF EXISTING POLICIES? IF SO IS THERE A CHARGE FOR THAT? HOW DO I REACH AN EXPERT?

NSI offers coverage analysis and evaluation services, often complimentary, with expert consultations available to assess existing policies and recommend tailored solutions. Contact Jason Bishara directly if you have any questions or would like a complimentary review of your existing program.

jasonb@nsigroup.org
or call: 516-313-4110

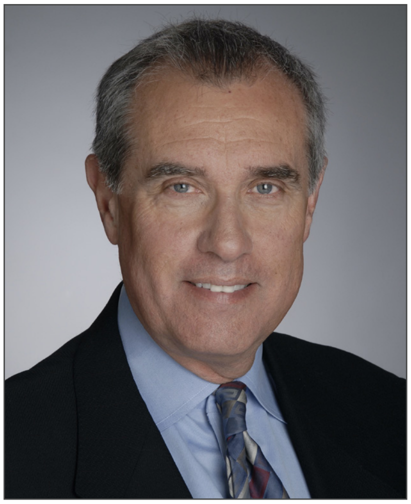
Jason Bishara is a seasoned professional in the financial services sector, particularly known for his expertise in insurance and risk management. He currently serves as the Financial Practice Leader at NSI Insurance Group, a role he assumed following the acquisition of his previous company, JAISIN Insurance Solutions, in October 2023. With over 25 years of experience, Bishara specializes in management liability products, focusing on protecting the personal assets of directors and officers in publicly traded companies through tailored insurance solutions, including Directors and Officers (D&O) insurance, cyber liability, and employment practices liability insurance (EPLI). Before joining NSI Insurance Group, Bishara founded and led JAISIN Insurance Solutions, where he provided outsourced risk management solutions to public companies and nonprofit organizations. His client-centric approach and extensive knowledge of capital markets enable him to navigate complex financial landscapes effectively, ensuring that clients receive comprehensive and customized insurance solutions.

SIX QUESTIONS FOR MICROCAP COMPANIES CONTEMPLATING PUBLIC RELATIONS

Roger Pondell, PondellWilkinson Inc.

WHAT ROLE CAN A PUBLIC RELATIONS FIRM PLAY IN HELPING MICROCAP COMPANIES COMMUNICATE WITH THEIR SHAREHOLDERS?

Getting noticed is a fundamental challenge for microcap companies. Major financial news outlets tend to overlook these companies because of their size, and a lingering layer of negative sentiment continues to affect their perception. This is where public relations can help. The first step is messaging. Developing a clear, concise and compelling narrative that resonates with shareholders and the news media is critical. Not only can PR help develop and finetune *what* is said to key audiences, but it also can help determine *how* and *where* these messages are delivered. Key messaging is transformed into various types of content, which are then distributed across a wide range of mass and specialized media, including news outlets, industry publications, digital and social media, broadcast channels, and more. Perhaps somewhat ironically, many microcap companies have outstanding management teams and exciting stories to tell. The key is maintaining regular communication with all constituents to keep them informed and engaged.



Roger Pondel

WHEN IS THE BEST TIME TO BEGIN A PR CAMPAIGN?

It's never too late, or too early, to start a public relations campaign. Programs can vary in size, scope and duration—ranging from a few months to ongoing. Regardless of the timeframe, it's crucial for companies to communicate effectively with the right audience. While a specific event isn't always necessary to initiate a campaign, timing can be critical. Consider beginning a PR campaign when there is upcoming company news or an event, such as a product launch, earnings report, acquisition, industry conference and shareholder meeting. Favorable market conditions can also provide a supportive backdrop for positive messaging. Additionally, if there's a need to shift public or investor perception, launching a campaign early can help control the narrative.

HOW CAN A MICROCAP COMPANY HONE ITS MESSAGING THROUGHOUT SOCIAL MEDIA, PRESS RELEASES AND ATTENDANCE AT CONFERENCES?

Consistency is key. Organizations must ensure that messaging across all platforms aligns with the company's core values and goals. However, messages need to be tailored to the specific audience of each platform. Social media might require more engagement-focused content, while press releases and conference presentations might need to be more formal and detailed. More importantly, what's said to investors may be different than what's said to employees or customers. The use of storytelling is a great way to engage audience with compelling narratives about the company's mission, products or impact. The use of analytics to measure the effectiveness of messaging and adjust as needed are great ways for microcap companies to hone their messaging to resonate best with investors.

WHAT CAN MICROCAPS DO WHEN THEY NEED TO MANAGE THEIR DAMAGE CONTROL?

Ideally, having a crisis communications plan already in place is best practice. These are a set of action items with key messaging to help organizations quickly respond to a disruptive event, including financial crises, reputational damage, operational interruptions, legal issues, regulatory challenges, cybersecurity breaches and natural disasters.

Microcap companies must be proactive in managing damage control by prioritizing transparent communications. Assembling a dedicated crisis team and ensuring consistent messaging across all channels are key steps. Engaging with media outlets through well-crafted press releases and building strong relationships with journalists can help ensure the company's perspective is accurately represented.

Direct communication with investors is crucial to address concerns and maintain confidence. Emphasizing the company's long-term strategy while managing short-term challenges can reassure all stakeholders. Additionally, closely monitoring social media and responding thoughtfully to any misinformation can prevent negative sentiment from escalating.

Legal considerations and reputation management also play vital roles. Consulting with legal advisors ensures compliance with regulatory requirements. Highlighting positive developments, without burying opposing views, and leveraging third-party endorsements, can help rebuild the company's reputation.

HOW CAN A COMPANY MEASURE THE RETURN ON INVESTMENT FROM A PR CAMPAIGN?

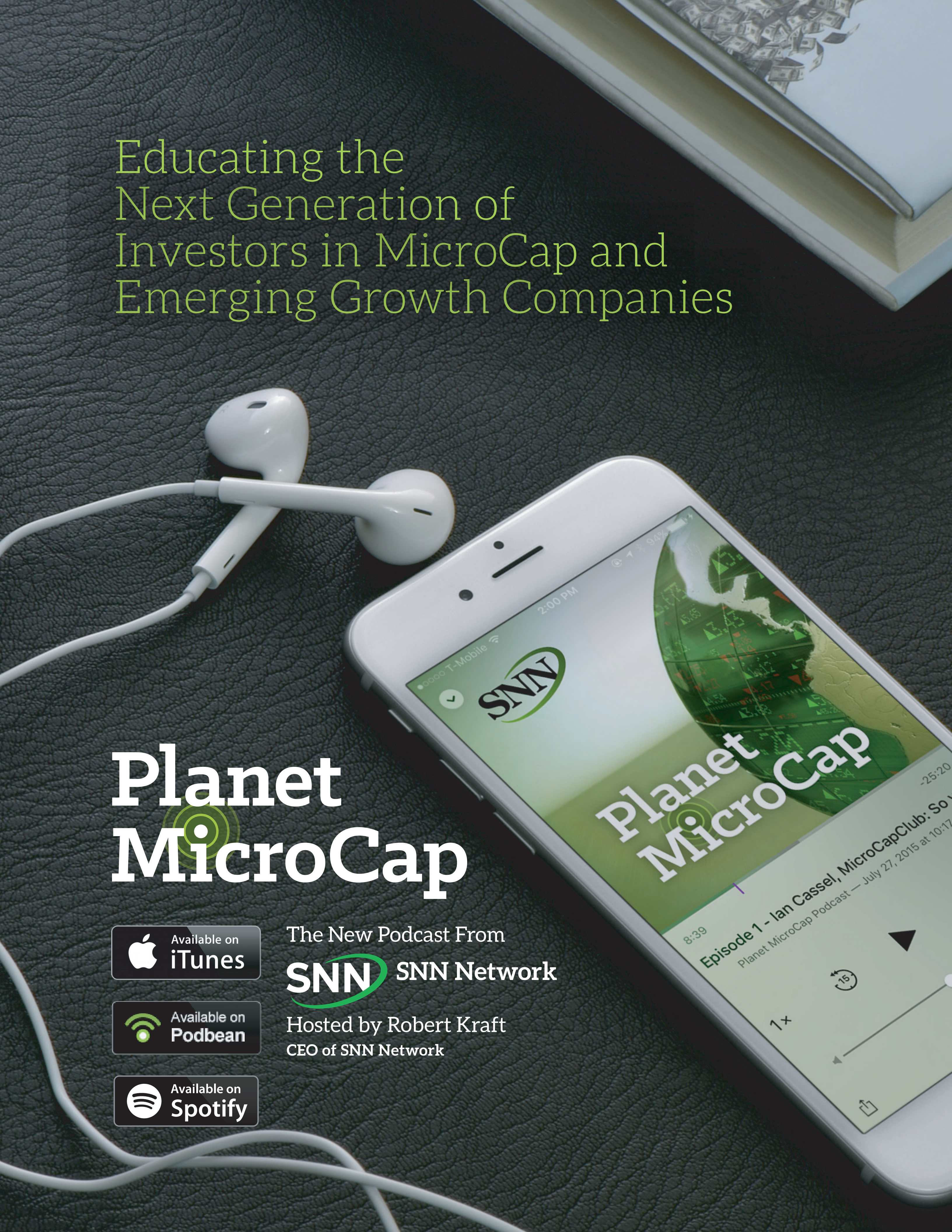
When evaluating a public relations campaign, it's important to consider a range of intangible factors. For example, a media interview that doesn't immediately lead to a published story is still a significant outcome. Journalists often work on their own timelines, particularly for stories that aren't breaking news, which means it may take time for an interview to result in coverage. Tracking the number of interviews, along with the quantity and quality of media mentions and impressions, offers valuable metrics for assessing PR efforts.

Social media engagement, measured through metrics such as shares, likes, and sentiment analysis, is another area to monitor. Additionally, website traffic and lead generation—such as inquiries, sign-ups and event participation—can provide insight into the campaign's effectiveness. These are just a few examples of how a company can measure ROI.
In essence, executing the tactics outlined in a broader strategy helps track progress and also allows firms to attribute specific values to each initiative, enabling them to score campaigns. Most importantly, evaluating the long-term impact on brand equity, including awareness and reputation, is essential for understanding the sustained effects of the campaign.

WHY DO LARGE AND MIDCAPS USE PR MORE THAN SMALL AND MICROCAPS?

It often boils down to resources. Large and midcap companies generally have greater financial and human capital to invest more in marketing and communications. Additionally, bigger corporations generally have higher public profiles, as well as larger and more diverse groups of stakeholders, which, in turn, drives the need for ongoing communications among varying target audiences. That said, it's really a matter of scale, and microcap companies usually benefit greatly from public relations tactics as well as traditional IR.

Roger Pondel is CEO of PondelWilkinson Inc., a full-service investor relations and strategic public relations consultancy, operating for more than 50 years that has earned a national reputation for innovative, aggressive, professional service. The firm represents publicly traded, pre-public and privately owned companies - from microcap to big cap - in multiple sectors, blending public relations and investor relations disciplines to provide a value-add offering. Roger and his team can be reached at rpondel@pondel.com, or 310-279-5965.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FTC, LARGER CAP MERGERS AND AFFECTS (IF ANY) ON MICROCAPS

WITH ANDREW WALKER, HOST OF THE YET ANOTHER VALUE PODCAST

THE THEME OF THIS ISSUE IS M&A, SPECIFICALLY IN MICROCAP. YOU FOLLOW CLOSELY THE TRENDS IN M&A ON THE MACRO LEVEL WITH AN EVENT-DRIVEN INVESTING STRATEGY, IS THERE A DISCONNECT BETWEEN FTC TIGHTENING UP OF MERGERS VS. WHAT'S HAPPENING IN THE MICROCAP SPACE? HAS THIS DISCONNECT ALWAYS BEEN THERE OR IS WHAT'S HAPPENING NOW UNIQUE?

Andrew Walker, Portfolio Manager at Rangeley Capital

No, I don't think so. The FTC is concerned with big mergers that touch consumers or tech. There are very few (not zero, but few!) microcaps that have anything to worry about. I'd be more concerned with them getting buyout offers than the offers actually closing!

DO YOU THINK THE RELUCTANCE TO PURSUE MERGERS AMONGST LARGE CAP IS TRICKLING DOWN TO LOWER-MIDDLE MARKET MANAGEMENT TEAMS?

Again, no, don't think so for regulatory reasons. I do think a lot of companies I talk to are hesitant about mergers for other reasons (financing is more expensive than two years ago, economic fears, political uncertainty)…. In my talks with mgmt. teams, it feels to me like there's a little more uncertainty / fear here then a few years ago…. But that's my unscientific / gut opinion.

THERE'S A NOTION IN THE M&A WORLD THAT LARGER CAP NAMES ARE SITTING ON THE SIDELINES FOR WHEN EITHER A NEW ADMINISTRATION COMES IN, WHERE MOST CERTAINLY THERE WILL BE A NEW COMMISSIONER, OR POTENTIALLY, IF DEMOCRATS WIN THE WHITE HOUSE, THE FTC COMMISSIONER IS REPLACED - DO YOU THINK THE LATTER IS POSSIBLE? AND IF SO, HOW LIKELY?

For larger cap buying larger cap mergers: absolutely. The FTC has shown a willingness to sue basically any big company doing an acquisition of size; I think if it becomes clear there will be a new commissioner, it'll be a lot easier to get M&A over the finish line.

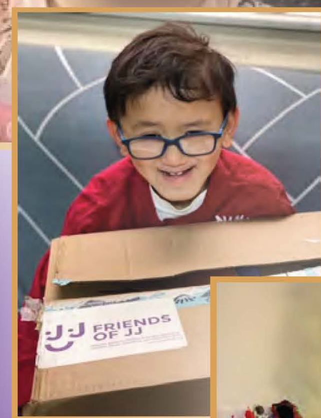
HOW HAS YOUR EVENT-DRIVEN STRATEGY CHANGED OR EVOLVED OVER THE LAST FEW YEARS? DO YOU EXPECT YOUR STRATEGY TO CHANGE/EVOLVE POST-ELECTION AND A NEW FTC COMMISSIONER IS BROUGHT IN?

I tend to only play quirkier edge case M&A; that has gotten more common as we've seen a more aggressive regulatory state that's willing to pursue antitrust cases outside of normal lines (to bring up a sad example, I don't think any previous administration would have tried to block SAVE / JBLU, for example. And, to hit on both parties, there is only one administration in history that would have pursued the T / TWX antitrust case). If we get a less aggressive regulator, there will probably be more plain vanilla merger arb; great for arbs, not for me!

To subscribe to the Yet Another Value Podcast and Newsletter, please visit: **https://www.yetanothervalueblog.com/**

Note: This article is not an attempt to provide investment advice. The content is purely the author's personal opinions and should not be considered advice of any kind. Investors are advised to conduct their own research or seek the advice of a registered investment professional.

FRIENDS OF JJ



For Family, By Family

Friends of JJ is a 501c3 nonprofit organization that brings hope and joy to children and families affected by pediatric diseases. Brenna and Chris Messana, with the help of their family started this foundation in memory of their brother JJ. JJ was 27 years old when he passed away after battling pediatric cancer for eight years .

501c3 nonprofit organization

Become a Friend of JJ and help children and families affected by pediatric diseases. Visit our site to learn more about our ongoing Toys of Joy program and the ways we bring smiles all year long.

https://www.friendsofjj.org/services

Our Programs:

- Coaches for a Cause
- Ladies Night Out - Shop, Sip, Support
- Smile Box
- St. Jerome Award
- Stirring Up Smiles for Halloween
- Tablets for Pediatric Units
- Taking Care of Caretakers
- Toys of Joy

Unfold

The feeling of Giving.

www.friendsofjj.org

Q&A WITH IEH CORPORATION

1. LET'S START WITH A QUICK OVERVIEW OF THE COMPANY.

IEH Corporation is a connector manufacturer, primarily serving the defense, commercial aerospace and space markets. Our printed circuit board (PCB) connectors, custom interconnects and contacts employ Hyperboloid technology, a pin-socket interface that is renowned for its' ruggedness, reliability and durability.

A 4th-generation, family-managed company in business since 1941, IEH maintains two manufacturing facilities in Brooklyn, NY and Allentown, PA and serves defense contractors, aerospace integrators and other end users in over 40 countries. We are mil-spec approved and ISO-certified.

Dave Offerman, President, CEO at IEH Corporation

2. 2024 IS PRETTY MUCH IN THE BOOKS, WHAT ARE SOME HIGHLIGHTS FOR THE COMPANY FOR 2024? DID THE COMPANY ACCOMPLISH ALL THE GOALS IT SET FOR ITSELF IN THIS CALENDAR YEAR?

After a difficult few years following the COVID-induced downturn in commercial aerospace, supply chain disruptions and stark changes in defense spending, IEH has been on a recovery trajectory since the 2nd half of 2023, extending into this calendar year. Despite the challenges facing Boeing, one of our largest end users, we anticipate this growth continuing into 2025 and beyond.

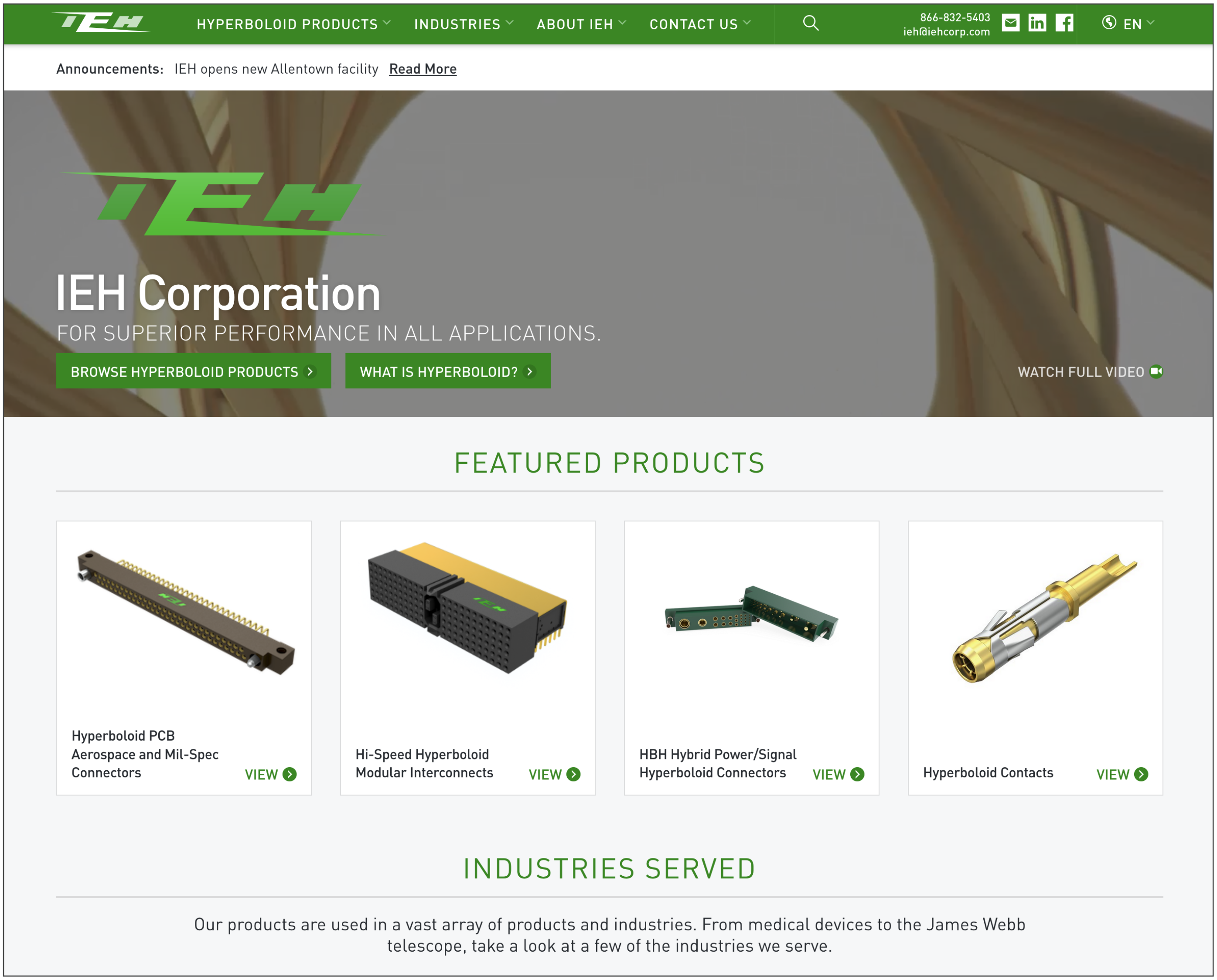
3. ARE THERE ANY INDUSTRY TAILWINDS TO PUSH FORWARD SOME OF THE COMPANY'S GOALS AND OBJECTIVES FOR 2025?

Geopolitcal events continue to drive global defense spending, which bodes well for IEH, as we are a trusted, long-term and often sole-source supplier of mission-critical interconnects for equipment and programs that continue to be acquired and implemented worldwide.

4. LOOKING AHEAD, FROM WHAT YOU CAN TELL US, WHAT ARE SOME OF THE COMPANY'S VALUE CATALYSTS FOR 2025?

Increased defense spending, Boeing's eventual recovery and uptick in production, as well as increased forays into additional markets, namely space, medical and industrial, where we see growing demand for our specialized, rugged interconnects.

For more information about IEH Corporation, please visit: https://www.iehcorp.com/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// By Leslie Richardson

HONG KONG'S BATTERED IPO MARKET REMAINS HOPEFUL

Following four consecutive down years on the Hang Seng Index, international investors have cooled on the Hong Kong markets.

Highlighting the investors' sentiment, Stephen Roach, Former Chair of Morgan Stanley Asia, raised his concerns that "the Hong Kong market is over" in an article published in the Financial Times after the Hang Seng Index dropped below 15,000 in January. Mr. Roach stated the decline was due to a combination of domestic politics, mainland China's economic challenges and global developments. Specifically noting that the deteriorating relationship between China and the US has "gone from bad to worse" with Hong Kong being caught in the middle.

More recently, the pressure on Hong Kong's tech sector has ramped up as the US announced it is floating tougher trade rules on China's chip makers along with Walmart selling 144.5 shares in JD.com at an 11% discount as the company wound down an 11-year partnership. Many Hong Kong-listed tech companies have big foreign shareholders which spurred concerns they may follow suit driving tech companies' stocks like Kuaishou Technology, Alibaba Group Holding and Xiaomi down on the news.

In defence of Hong Kong, several prominent government officials responded by emphasizing the city's resilience and economic strength while China's CSRS introduced five measures to strengthen ties between the two markets and boost Hong Kong's status as a global financial hub. The measures include expanding the scope of eligible exchange-traded funds (ETFs) under the Stock Connect; incorporating real estate investment trusts (REITs) into the Stock Connect; supporting the inclusion of yuan-denominated stocks into southbound Stock Connect; enhancing the scheme of mutual recognition of funds; and supporting the listing of leading mainland companies in Hong Kong. These measures are expected to expand the channels for capital flows as well as improve market liquidity and stability in Hong Kong. Following the new measures, southbound fund flows rose to HK$445 billion as of August, for an increase of 203% over net fund inflow of HK$147 billion in the same period in 2023 and more than the total 2023 net fund inflow of HK$307 billion. Along with boosting the Hong Kong markets, the measures are expected to accelerate the movement of RMB on a cross-border basis which will help promote the RMB's internationalisation to the next level. Adding additional support to the market are stock buybacks. Buybacks in Hong Kong this year reached an all-time high of HK$164.8 billion, surpassing last year's total by 30 per cent, according to benchmark compiler Hang Seng Indexes Company. The combination of buybacks and strong inflow of funds from mainland investors propelled a rebound in the Hang Seng index to a 5.5% increase YTD as of the end of August.

HONG KONG IPO MARKET WEAKEST SINCE THE GLOBAL CRISIS

Once the world's top IPO venue, Hong Kong fell to 13th in the first half this year as it recorded its lowest first half total of IPOs in over two decades. Twenty-seven companies raised a total of HKD$11.6 billion, representing a decrease of 35% and 15% in funds and deal volume, respectively, compared to the first half of 2023, according to KPMG. There were no mega or large listings. Completed IPOs from companies in TMT, consumer markets and healthcare / life sciences sectors led the market in terms of total funds raised, recording HKD$4.6 billion, HKD$2.8 billion and HKD$1.5 billion, respectively.

The biggest IPOs in Hong Kong in the first half was from tea shop giant Sichuan Baicha Baidao Industrial. The Chengdu-based company raised HK$2.58 billion in April. Other listings during the period were under HK$1 billion each including Alibaba-backed Robo-Sense Technology which raised HK$985 million in a share sale in January. The company develops laser imaging, detection and ranging (LiDAR) sensors for self-driving cars.

Despite the weak start in the IPO markets this year, investors remain hopeful as fundraising activity showed signs of warming during the second quarter following a 50 per cent quarter-on-quarter increase in new listings. Eighteen companies, including artificial intelligence-powered drug researcher QuantumPharm, raised a total of HK$8.6 billion during the second quarter, 79 per cent more than the first three months, according to HKEX data. QuantumPharm, a Chinese AI-driven drug research company known as XtalPi, is the first company to list in Hong Kong under the new rule, Chapter 18C, introduced in March 2023. Chapter 18C was specifically implemented to attract specialist technology startups to list in the city. The Tencent-backed company was the second biggest IPO this year, raising HK$989 million in June.

With the momentum of Hong Kong's initial public offerings picking up, confidence in the Hong Kong market is improving. However, a key factor in maintaining that momentum in flow of funds as well as determining the level of rebound in the Hong Kong IPO market in 2024 will be the timetable of US interest rate cuts over the next three quarters.

The pipeline of over 100 active applicants to list on the HKEX is expected to fuel the IPO market in the second half of the year. While PwC remains cautious, the company estimates as many as 50 companies may go public, bringing total listing for the year to around 80, with some raising over HK$5b. PwC added that the major factors driving the increase in IPOs include the end of the interest rate hike cycle as well as global capital from Europe, the United States, and the Middle East returning to Asia. The market focus in the second half of the year is expected to be in TMT, AI and retail, consumer goods & services. The anticipated bigger listings and mega-deals include Geely-backed ride-hailing company Caocao Chuxing, bottled drinks maker China Resources Beverages, jewelry chain Zhou Liu Fu, Hozon Auto, which produces electric cars under the Neta brand, SF Holding, parent of courier operator SF Express and appliance maker Midea Group.

Another recent noteworthy event is Alibaba's completion of its long-delayed conversion to a primary listing from secondary status on the Hong Kong Stock Exchange. The move is a significant deal for the city as it could provide an additional tailwind considering Alibaba's scale and importance to the mainland's tech-economy narrative could unlock billions in new investments. The move qualifies the technology giant to sell shares to mainland China's 220 million stock investors which could attract US$12 billion in funds. Joe Tsai, Co-founder and Chairman of Alibaba commented that the main reason for Alibaba to proceed with the dual primary listing is because they want to tap into the southbound capital flows through the Stock Connect programme.

Ms. Leslie Richardson has over 20 years of investment management and equity research experience. She operates a boutique investor relations firm in Hong Kong for Asian companies listed in the U.S. and Hong Kong. She also assists private companies develop investment material and build an investor following in preparation for a public listing. Additionally, she is the Asian Correspondent for Micro-Cap Review, www.microcapreview.com*, a financial magazine focused on mirco-cap companies. Previously, she worked for CCG Elite in assisting Asian-based, U.S. listed clients formulate key communication strategies. Ms. Richardson began her investment career at U.S. Trust Company then went on to join Odyssey Advisors as a portfolio manager and Director of Research. Ms. Richardson specialized in high growth sectors such as bio-tech, alternative energy, IT and telecommunications. She earned her M.B.A. from the University of Southern California. Ms. Richardson is based in Hong Kong.* www.elite-ir.com.

Q&A WITH INDEPENDENT INVESTMENT RESEARCH (IIR)

SPONSORED RESEARCH – MANAGING EXPECTATIONS

by Mamun Rashid Esq., CPA, IIR Founder

PMC: PLEASE BEGIN WITH AN OVERVIEW OF SPONSORED RESEARCH FOR MICROCAP PUBLIC COMPANIES: PLEASE DISCUSS A) MIFID LL, B) LACK OF COVERAGE BY US INVESTMENT BANKS, POTENTIAL COMPLIANCE PROBLEMS, C) IS ANY RESEARCH BETTER THAN NO RESEARCH?

Mamun Rashid Esq., CPA, IIR Founder

Overview of Sponsored Research

IIR: Company: In the post-MiFID II world, many U.S. investment banks avoid covering smaller companies due to compliance complexities and limited profitability, leaving these issuers underserved. Sponsored research fills this gap, offering transparent, independent analysis to connect issuers with shareholders. While not a "house" product tied to investment banking, sponsored research ensures smaller issuers gain visibility and credibility in the market. For shareholders, any professional research—when objective—is better than none, as it provides insights essential for informed decision-making and market engagement.

MiFID ll: Key policies of MiFID II include increased transparency in transactions and costs, diminishing OTC and dark pool trading, and ending legalized conflicts of interest that potentially put clients in the hands of investment managers using them for commissions with third parties.

PMC: REACHING NEW SHAREHOLDERS WITH OUTREACH USING RESEARCH: IF RESEARCH IS MOST VALUED BY WHO READS IT, WHAT IS IIR'S INSTITUTIONAL DISTRIBUTION AND OUTREACH?

Reaching New Shareholders with Research

IIR: IIR's institutional distribution ensures research reaches those who value it most: decision-makers. With over**10,000 global subscribers**, our insights are distributed through leading platforms like **Bloomberg**, **FactSet**, **Reuters**, and **Capital IQ**, targeting institutional investors, fund managers, and family offices. This unmatched reach connects issuers with key shareholders, enhancing visibility and fostering trust. By prioritizing broad access and independence, IIR helps bridge the gap between companies and investors seeking objective, actionable insights.

PMC: HOW DOES IIR RESEARCH DIFFER FROM OTHER SPONSORED RESEARCH SOURCES?

IIR stands apart by focusing on **MicroCap/SmallCap equities** with global institutional reach. When a sponsored research group does investor relations and holds their own conferences, we think that mitigates independence.

IIR emphasizes strict editorial independence, with no ties to capital markets, ensuring unbiased research for wealth managers and institutional clients.

IIR's reputation as one of the **Best MicroCap Equity Research House in the U.S.** IIR's reports on platforms like **Bloomberg** and **Factset** ensure unparalleled accessibility.
Note: IIR was Awarded Top Equity Research Solutions Provider 2023 by Financial Services Review Magazine

PMC: HOW DOES IIR REMAIN UNBIASED AND HOW DO YOU PRODUCE UNBIASED RESEARCH?

IIR: IIR maintains objectivity by adhering to strict **editorial independence**. Analysts are not influenced by issuer performance, capital-raising activities, or securities pricing. All research contracts explicitly prohibit promotional bias and are governed by U.S., European, and Australian regulations.
Research Process

1. **Data Collection**: Analysts gather financials, peer comparisons, and sector insights.
2. **Valuation Models**: Price targets are developed using discounted cash flow (DCF), earnings multiples, and comparable company analysis.
3. **Independent Review**: Reports undergo a compliance check to ensure they meet regulatory standards and objectivity.

IIR does not provide "Buy, Sell, hold" ratings - simply ascribes a price target. Also, usually IIR's price target is lower than the Broker/ Bank Sell side research.

Outcome

The result we feel is unbiased, actionable insights tailored for institutional and retail investors, helping them make informed decisions while fostering trust between issuers and shareholders.

PMC: LET'S DISCUSS THE HIRE OF IIR? HOW DOES IT WORK? WHAT DOES ISSUER RECEIVE?

IIR: Issuers pays to engage IIR to obtain independent equity research, enhancing visibility among investors. IIR provides continuous coverage which is akin to a Broker style coverage in terms providing an Initiation of coverage, which is usually followed by update reports including quarterly reports and/or flash notes. The reports are comprehensive of institutional quality, including financial analysis, valuation, and peer comparisons. These reports are distributed through platforms like for example Bloomberg FactSet, and other platforms reaching a broad institutional audience.

PMC: WHY SHOULD AN ISSUER HIRE IIR OVER OTHER US RESEARCH FIRMS?

IIR: 1. **Global Recognition**: IIR was voted one of the **Best Research Houses in the U.S. (2023)** setting it apart from other firms.

2. **True Independence**: Unlike many U.S. firms, IIR has no ties to capital-raising or securities dealings, ensuring unbiased research.

3. **Unparalleled Reach**: IIR distributes through major platforms like Bloomberg, FactSet, and Reuters, offering broader access than most U.S.-focused firms.

4. **Proven Expertise**: Focus on **MicroCap/SmallCap** equities ensures tailored, actionable insights for under-covered issuers.

5. **Regulatory Compliance**: Reports meet stringent U.S., European, and Australian standards, trusted by global investors.

IIR delivers research on a continuous coverage basis akin to a Brokers research, but applying the standards of being independent.

PMC: HOW LONG DOES THE REPORT TAKE TO COMPLETE?

IIR: The report usually takes 8 weeks from commencement date.

The duration to complete an equity research report varies based on factors such as the complexity of the company, data availability, and the depth of analysis required. For comprehensive "Initiating Coverage" reports, which are detailed and provides the milestones to be monitored for the update notes/ In contrast, shorter updates or "Flash Reports" may be completed within a few days, as they focus on recent developments and require less extensive analysis.

PMC: HOW DO YOU MANAGE C LEVEL MANAGEMENT EXPECTATIONS?

Managing Expectations:

IIR: IIR emphasizes that independent research is not a promotional tool or a guarantee for immediate stock price appreciation. Instead, the focus is on **long-term value creation** by providing unbiased, high-quality analysis that increases visibility and credibility with investors. IIR sets clear expectations with issuers about the role of research in fostering informed decision-making among shareholders and potential investors.

Key Benefits to Issuers:

1. **Enhanced Credibility**: Independent research signals transparency and professionalism, increasing trust among institutional and retail investors.

2. **Broader Investor Base**: Research distributed on platforms like Bloomberg and FactSet ensures wide visibility among fund managers, family offices, and advisors.

3. **Improved Liquidity**: Greater awareness often translates into higher trading volumes and market engagement.

4. **Valuation Insight**: Clear, data-driven valuation analyses help existing shareholders and potential investors understand the company's true potential.

5. **Long-Term Shareholder Value**: By maintaining a steady flow of updates and insights, IIR research helps build investor confidence, which supports sustainable stock price performance over time.

IIR positions its research as a tool for strategic investor engagement and trust-building, fostering long-term shareholder value beyond short-term market reactions.