

OTC Markets Group: From OTC Markets' global headquarters in New York City, you are listening to Advisor Insights, where we feature professionals that will address the issues that affect the small-cap companies that trade on the OTC Markets.

So joining us today we have out Audun Hoen Chief Executive Officer of Arctic Securities LLC out and welcome.

Audun Hoen: Thank you Matt glad to be here.

So before we start today Matt I just want to read a short disclaimer. Arctic Securities deals exclusively with institutional clients in the United States and nothing I discuss with you today is meant for a non-institutional audience. Nothing I say today will constitute an offer to sell or the solicitation of an offer to buy any financial instruments. Nothing I say here to be construed as legal business investment or tax advice. And any listener should consult with their own legal business investment and tax advisor as to legal business investment and tax advice. I make no undertaking representation or warranty expressed or implied regarding the accuracy or completeness of the information that I provide today. And I expressly disclaim any liability whatsoever in connection with the matters that we discuss. Nothing I say is meant to solicit business from any US person or entity.

OTC Markets Group: Absolutely. So as mentioned you are with Arctic Securities and you know we have a lot to talk about today but I would like to start out by saying that you are the first ever approved foreign and Nordic based investment bank OTC sponsor now while others have followed suit from France UK and the Nordics. Arctic was the first which is a big deal I think you know. That's something I will be talking about today but before we get started, can you tell us a little bit about yourself, your background, as well as Arctic Securities?

Audun Hoen: Short so quickly about myself I guess I am Norwegian. Grew up in Norway, went to business school in Norway and moved here to New York right after business school back in 2001. Worked a few years for Bloomberg and since then have worked for ah the US entities of two different Norwegian investment banks. So the majority of my career has been spent kind of

working on um that the Transatlantic. Um. Offering of financial products worked ah in the front office for quite a while at my first employer then moved over to administration and management and have been the CEO of Arctic since 2019. Ah, Arctic Securities as you as you alluded to a Norwegian-based investment bank started in 2007 so it's a fairly young operation but it has grown to be the leading independent investment bank in Norway. Um, and an important player. You know both regionally in Scandinavia but also globally in the niches where they are operational. We have offices globally in five different countries and the whole group spans. You know, various financial services. The investment bank that I'm in um, does traditional ECM, DCM, M and A, and in the US specifically we work on sales and some corporate finance activities.

OTC Markets Group: Got it. So um, Audun as I mentioned you were the first OTC sponsor based out of the Nordics, why did Arctic choose to become an OTCQX sponsor?

Audun Hoen: Right? So Um I mean we've followed obviously go to sea markets for some time and when we were offered the opportunity to become a sponsor it seemed like an obvious ah tool to add to our toolkit to be able to offer Scandinavian companies access to ah quotations on the OTCQX list in order to you know, add value which we'll get back to later on for these clients of our parents. So we only do sponsorships for Scandinavian clients that wish to quote on OTCQX.

OTC Markets Group: Absolutely so Audun, you know as you said, you became an OTCQX sponsor and you know you've worked with a number of companies but just generally speaking, if a public company comes to you and says we're considering cross-trading into the US, can you explain how you tell them to or why you tell them to cross-trade in the Us?

Audun Hoen: Sure. So um, we as a firm ah can offer both you know, traditional listings as well as OTCQX

quotations to these Scandinavian firms. So I work closely with my colleagues overseas. These are typically clients of the parent company and we explain to them you know benefits of ah reaching a US investor base without being subject to the same reporting requirements as I would have to. By going for a full listing they can stick with their reporting requirements from their home listing typically Oslo or Stockholm. Um, and you have the benefits. You know. When you reach these investors obviously of increased liquidity ah broadening your shareholder base and getting increased visibility for whatever brand that is that you have um at a low cost compared to a full listing.

OTC Markets Group: Now. Ah, speaking a little bit more specifically I'm aware that Arctic has done already 5 transactions: Atlantic Sapphire, Aglix Play, Magnus Golden, Energy Offshore and Norse Atlantic Airways. Congratulations on your success with that. Um, why did these companies specifically do it?

Audun Hoen: Sure. So um I guess and instead of going into specifics on each one of them. What I can say for all of them is they all had some type of US Nexus. For their company either having operations in the US having significant clients in the US or having a large user base for their product in the US and going to an OTCQX quotation allowed them to give access to you know a different set of US investors than they can by just being listed abroad. Ah that have been getting in touch with them wanting to invest in their companies and not having been able to.

OTC Markets Group: You know, can you talk about some of the benefits or results, for example I know that ah Play Magnus got acquired by a US company chess.com um you know which was interesting and again congratulations to them and to you because obviously you helped them with that transaction. But. Um, can you talk about some of the benefits or results of these companies?

Audun Hoen: Sure, so Play Magnus is you know chess gaming company started by Magnus Carlson the former world champion. Um, they had a home listing in Oslo they had through their user base and also through ah Magnus Carlson's you know fame as a chess master, um had a significant following already in the US they wanted to give access to US investors to trade their name and ah came to us for sponsorship in that that quotation after they had been

been quoted on OTCQX. Within I think less than a year, it was announced that they are being acquired by a private equity company here in the us and so secretly obviously will fall off the OTCQX list again. So but both a success,

OTC Markets Group: Ah, that's okay, we like when our companies grow and succeed.

Audun Hoen: Yeah, exactly. But it's been a fun ride to follow them over in Norway as a sponsor of Magnus Carlson for many years so we know his story very well.

OTC Markets Group: Um, and can you speak a little bit to the sorts of the diverse companies that you work with. For example, you know I'm aware you work with gaming companies, salmon farming, renewables, airlines, shipping. Norway's a leader in these sectors, is the US taking notice or how is the US taking notice and how is the OTCQX market helping with this visibility and interest.?

Audun Hoen: Sure so arctic as a company um have been involved since inception in many of the kind of traditional Norwegian industries among them maritime shipping being huge.,uh, fish farming being huge, Norway's the largest producer of farmed salmon in the world. Um, traditionally salmon farming in Norway was an offshore business ah over the years they have started moving that onshore and over the last Ah, five to ten years ah several Norwegian operations have started building onshore salmon farming in the US and through this is in particular on Atlantic Sapphire and just one of those their OTCQX listing or quotation have given ah visibility you know, further visibility to US investors and through their ah you know, ah very kind of brand-based selling efforts having the opportunity for US investors to buy their stock after seeing their brand name in the store has been a boost for their shareholder base. On the renewable side in you know Norway for the last ah decade at least Arctic for at least the last five years have spent tremendous resources moving away from traditional energy and building out renewable energy sources and clean technologies. The knowledge and networks that we've brought over from Norway to US companies have helped broaden um I think US interest in the space and now ah certainly for the last you know, two, two to three years and with the IRA recently being passed, you're just seeing a tremendous amount of focus kind of similar to what you saw in Europe ten years ago you're seeing in the United States today in terms of investing in that space and we're seeing you know, multiple companies um overseas

that have listed overseas interested in ah getting quotations ah in the US in order to monetize on that interest.

OTC Markets Group: Now. Ah, we've spoken about the companies that you work with I do want to flip back to to Arctic now for a second. Um you know why? what differentiates your firm from other investment banks and for a comp for a Nordic company that is considering cross-trading into the US why should they work with Arctic versus another investment bank?

Audun Hoen: Sure. So um I mean ah yosep are arctic and the other norwe is norwegian pariss versus us. Mr. Banks. But if you just look at the the kind of norwegian or scandy investment banks. Ah Arctic has a tremendous depth of knowledge. In the sectors that we operate in right? Um, be that you know ah fish farming shipping oil service and in particular renewables where we've where we've made huge investments over the last few years um Arctic also has. Ah, probably 1 of the most active us operations out of those norwegian investment banks. So several of our peers have kind of paired down their operation in the us um, over the last say five years whereas Arctic has has continued to grow. Ah and. Um, you know, utilizing our expertise in the us market. Our clients can come to us our parents clients can come and first get an introduction to ah to the market by doing an o cq exploitation. And then maybe down the road we would be able to list those companies on ah one in the us exchanges if they should want to take that next step to get even further. Ah further distribution in the Us.

OTC Markets Group: Got it. That was good background and I think our Nordic companies would love to hear that too. So um, given the interesting market conditions over the past you know one and a half, two years covid and everything related with that. Um, what are you seeing in the market? What should companies be looking at?

Audun Hoen: Um, in in general I mean um, like I said we started out, Arctic started out you know with the traditional Norwegian industries right? And almost chief among those was a traditional energy industry right? Oil and gas. Um, oil and gas took a big hiatus during the kind of mid 2010? Ah covid hit oil prices go through the roof. Ah the world realizes that um that ah we've been underinvesting in the oil and gas sector. Um, for you know the better part of a decade now. Ah and you see a huge need for capital um to build out explore and produce still traditional oil and gas. Ah, hopefully in more environmentally friendly ways. But we're not

going to be able to switch away from it as fast as people dreamed about in the 2010s and I think that has opened up an opportunity for investors as well because you have many investors that have stepped away you know for environmental reasons. As a policy and this you see to a huge extent in Scandinavia where many institutional investors just won't touch this up and that has opened up. Opportunities for other investors who are still willing to invest in those industries where you have a huge capital need in the next few years and US obviously also being very involved in the renewable side. You know. And as you saw with the IRA there are also billions and billions and billions that are going to be invested on the renewable side hand-in-hand going forward in order to kind of manage that transition um in in a more responsible way than I think we probably envisioned was possible. Um, in ten, eight, eight to ten years ago.

OTC Markets Group: Got it. Um all right, all right Audun and thank you very much for joining us today. Do you have any last words for any you know I guess we could direct this at Nordic companies. Do you have any last words for any Nordic companies that might be interested in cross trading on the OTCQX market?

Audun Hoen: Sure so um, odds are we're already speaking to you on some type of project or other and it's just important for them to know that Arctic also offers this kind of extra service that most of our competitors can't offer giving you access to a segment of the US market that is not available to you currently. So you know ask your Arctic, friendly Arctic rep to talk about OTCQX and me and my colleagues on the team that works on this product will hop on a call and talk about it and we really appreciate the cooperation we have with OTC Markets. You guys have been great.

OTC Markets Group: Thank you and for those companies that perhaps may not be talking to you, what is the best way to contact you or to get in contact with Arctic if they'd like to speak with you?

Audun Hoen: Sure so this would obviously be in Scandinavia, go to arctic.com call the main desk we have some lovely receptionists that will field the call to the right person. Um. And we love talking about this product. It's something that before you really look into it seems too good to be true because you get so much for relatively low investment but it's just a great great opportunity for Non-US companies to gain better access to the US market.

OTC Markets Group: All right? Wonderful out and thank you very much for joining us

Audun Hoen: Thank you Matt

OTC Markets Group: Absolutely

**This is an autogenerated transcript and may contain typos.*