

# OTC Markets Advisor Insights Podcast

## High Touch IR

## Season 1 | Episode 3

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- 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 companies that trade on the OTC Markets. Joining us today is Laura Kieran, Founder and CEO of High Touch Investor Relations, a member of our premium provider directory. Welcome Laura.
- Laura Kiernan: Thank you so much for having me, Matt.
- OTC Markets Group: Nice to have you. Thanks for joining us. So I want to get started, and before we do that, all I want to talk today's investor relations in these small cap space. So before we get down to it, can you provide our listeners with some background on High Touch, how you serve your clients and what sorts of companies have you worked with or are currently working with?
- Laura Kiernan: Sure. High Touch Investor Relations, we work with companies that are generally either unknown, misunderstood, or they may be at a pivotal moment, a time in which they would like to be recognized by the capital markets for their value. So generally they're undervalued, and we work with them to take them along their capital markets journey and help them achieve fair value generally through a retainer arrangement where they have an 18 to 24-month agreement. That's how we usually work with our clients.
- OTC Markets Group: What kind of companies have you worked with?
- Laura Kiernan: So we work with a lot of market capitalizations, but we specialize in micro and small cap investor relations. We work with international companies. A lot of clients come to us because they're looking to build their visibility and interest amongst the US investor base and gain access to the pools of capital we have here in the United States.
- I work across sectors too. Generally speaking, the clients that come to us are mostly in the technology, consumer products landscape, but we also serve biotech and other sectors.
- OTC Markets Group: Now, so Laura, let's backtrack a little. Can we talk about generally what the role of an investor relations firm is? What is it supposed to do to help a company grow, and how can small cap issuers benefit from using an investor relations firm?
- Laura Kiernan: Well, there are different types of firms. We call ourselves High Touch because we provide a very high touch level of service. So the way we work is we embed ourselves into the companies that we work with, and we work hand in glove with the management team. So we provide strategic guidance to the management team, and the management team can include the chief financial officer, the chief executive officer, sometimes the board of directors. Oftentimes smaller companies won't have their own investor relations officer. So we really serve as their investor relations officer. So we work very closely with them in terms of who they should target in terms of specific investors, where they should market their story, how they should position their story because that's actually very important, and it can be really nuanced. So it's really helpful to have an external point of view looking at the story, at your investor story, to help position your story in the way that will resonate with investors most effectively.
- OTC Markets Group: Okay. When you're talking about these small cap firms that you work with and these management teams, what kind of expectations do they have coming into working with an IR

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firm versus what is actually needed for them to do in their growth as a public company?

Laura Kiernan: Well, that's a really good question because it's very important to set expectations up front. I always explain to companies that it takes a long time to see the story manifest in your value. It takes a minimum of six months, but generally I tell them it's 18 to 24 months because there is a lot of dialogue and a lot of investor touchpoints that have to happen in order for your story to be recognized and also have that dialogue sort of bouncing back at you the way that you want it to be.

We also try to set expectations in terms of what the level of commitment is. There's a commitment in terms of how much management's time is required to be in front of the street, but there's also a financial commitment, not just for the IR professional but also conferences, research. If you want any of those extras, so to speak, you need to have a little bit of a budget to allocate towards investor relations. But it could really result in millions, hundreds of millions of dollars worth of market capitalization for the company. So generally companies find it to be a worthwhile expense.

OTC Markets Group: Okay. What kind of experiences have you and/or your clients faced when targeting investors?

Laura Kiernan: Well, it's very interesting. Targeting investors in the small cap space, you really are bridging between the retail investor base and the institutional investor base, so you have to have a strategy that can straddle both investor bases. Once you can call yourself a midcap, you really can primarily target institutional, but until that time you really have to cater to all audiences because it will have an impact on your equity. So, when you're targeting ... For example, we have one client that has, I would say, maybe 1,700, 1,800 targets, and that is primarily made up of retail investors, high net worth broker dealers and then some institutional. We have a very broad reach to retail investors, and there are actually massive pools of capital out there held amongst retail investors that like to invest on their own that isn't through say an institutional investor. We try to really point them towards the right retail investor base as well as the right institutional investor base.

OTC Markets Group: That's interesting. I feel like there's a misconception that the retail investors don't get as much credit as they deserve, but you're saying there actually is a massive amount of capital out there in the retail investor base.

Laura Kiernan: So there's a massive pool of capital in the retail shareholder base. You just have to effectively reach them. So one of the things that we do for our clients is we do graphic earnings releases. Especially when you're talking about technology or biotech, you're talking about complex issues, and if you want someone to grasp it easily, that isn't necessarily studying that type of technology or researching it for their full-time job, you want to make it as easy as possible for them to understand the story, why it's a great story, why it will resonate. That enables you to really reach much more effectively the retail shareholder base.

OTC Markets Group: So when you say graphic report, can you expand on that a little more? What do you mean?

Laura Kiernan: So for our clients, we'll have the traditional press release, which let's say, in a Word version that goes to business wire and gets broadly distributed. But we'll also have, you'll see often infographics. An infographic is usually a two-page graphic visual of the press release. So if you have a track record of three years of positive revenue growth, positive gross margins, and

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positive earnings, you can show visually the three charts, a line, and an investor can look at that and in a millisecond understand, "Wow, this is a growth company."

We had one client doing a lot of acquisitions with a roll-up strategy so they had all the different brand logos of the acquisitions, which visually you'll interpret that a little bit differently than if you were to just read it in text. It makes it much more appealing too. Retail gets a lot of information through social and digital channels, so anything that's graphic or appealing you'll get a better reach. It'll get a broader distribution.

**OTC Markets Group:** Very interesting. So let's go back now to your clients and specifically those that have traded on the OTCQB or the OTCQX. What have been the services that they have utilized that best helped them in their growth or execution of their strategy? This is either within the OTC markets realm, any sort of services that we offer or outside.

**Laura Kiernan:** Well, we generally put together a plan, let's say a 12 to 18-month rolling plan. In that plan, we will include what's going on with the company and then how they might leverage that best in the market disseminating that news. So we have leveraged the OTC Virtual Investor Conferences. Those have been great, especially during COVID. They've been fantastic because there's no travel required, and we get a very broad reach with those conferences. It allows us to put them on our website so that investors can tune to them any time. If they can't listen at exactly the time that the conference is being offered, they can tune in any time, and then also listen to it over and over again or get the transcript.

In terms of products that we provide them with, we do anything from some small clients are just looking for a target investor list, or maybe their budget only allows for them to get a target investor list so we'll charge them a specific fee for that. Or they might need a press release. They might be going through some major transaction and want a little extra assistance in terms of crafting a strategic press release that will resonate well with the market. We also will help companies with road shows. For example, if they want to spend one day in Boston ... All this is virtual now, actually ... But if they wanted to spend one day in Boston, or let's say they wanted to do a non-deal road show in the United States, we would put together a series of meetings for them in the United States.

But generally speaking, we provide our full service offering. That's what clients benefit most from if they can afford that in their budget. That is, it's really soup to nuts investor relations in terms of helping craft and draft press releases, scripts, presentations. Really making the story so that it resonates well with the investment community, working with the sell side equity research analysts to get coverage or to help the company with paid coverage, working with the financial media. Just finding ways to get management more visible in front of the investor base.

**OTC Markets Group:** Okay. Lastly, Laura, can we just talk very briefly about COVID? Do you have any comments or suggestions for companies that are working through this pandemic right now?

**Laura Kiernan:** Well, I'm very happy to say that the market has actually responded really well to COVID, and that was somewhat of a surprise for me. But what I have noticed, I would say beginning in May, is that I would call it a hyper-efficiency and there's also zero interest rates, which means that there's a ton of cash out there. So between being hyper-efficient and not having to travel, giving you major flexibility in terms of management wanting to market to investors,

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and then all this money being available to investors to invest, it's really created an environment where there's huge opportunity for companies right now to market and target investors and also raise new capital. We've seen a record number of IPOs, a record number of new issuances, refinancings, SPACs, you name it. So it's been surprisingly really robust.

I would definitely recommend for any company that is seeking to maximize the opportunity presented by COVID to really leverage this time to market your company and gain some new visibility. One other thing I would like to mention that we did do was, with one of our clients, was we had an opening ceremony at the OTC, and that was actually such a memorable occasion. So I don't know if you're doing virtual openings or not-

OTC Markets Group: We are doing virtual openings right now and is a great opportunity for many companies, and it gives them the extra visibility when they start trading on the OTCQX.

Laura Kiernan: That's great.

OTC Markets Group: Laura, so thanks for joining us today. For those listening, if you have any questions or would like to speak with Laura further, you can find High Touch in the investor relations category on our Premium Provider Directory.

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