



DARROW ASSOCIATES
INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS

Micro/Small Cap Stocks in 2020-21

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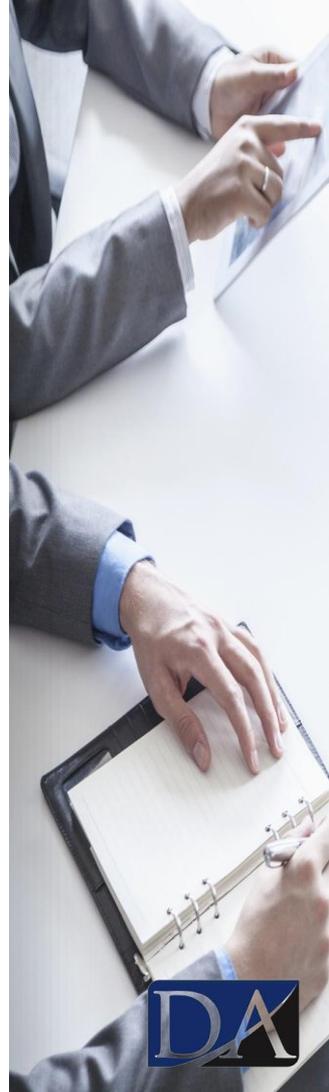
**Don't say they aren't
performing!**

March 2021

Question: What Do YOU Like?

Five months into COVID, I decided to ask investors to provide ME with one or two ideas, that they thought would be higher in a month, a quarter, a year, or at some point when management executed their plan. My intent was NEVER to make any survey. Rather, I was trying to stay relevant and find a creative excuse to keep engaging (that's what we do in IR) with a call in a month, a quarter, or a year, and say “nice trade on that stock, XYX.”

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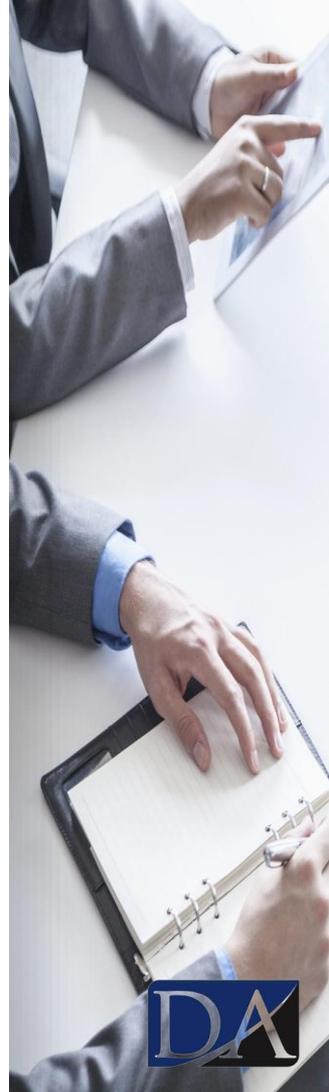


Responses: What Do YOU Like?

Some people preferred to keep their picks to themselves, but others were happy to name a few. In total, there were 25 financial pros giving me about 2.5 names each. When I looked at the list I had in February, which consisted of stocks, price the date of mention, the source of the idea, and an updated price, the data seemed worth telling people about!

When I told my colleagues why I was asking- again, this was NOT supposed to be a survey, I was generally asked two questions: 1) who are the biggest winners and 2) which are the losers that haven't run up like the others YET... Whether you're a broker, an institutional fund guy, or a private investor, you will have momentum-chasers and your value investors...

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Survey Data:

60 Small Cap Stocks

25 Portfolio Managers and Investment Professionals

6 Months (September 2020-February 2021)

5 Sectors

Winners: 55

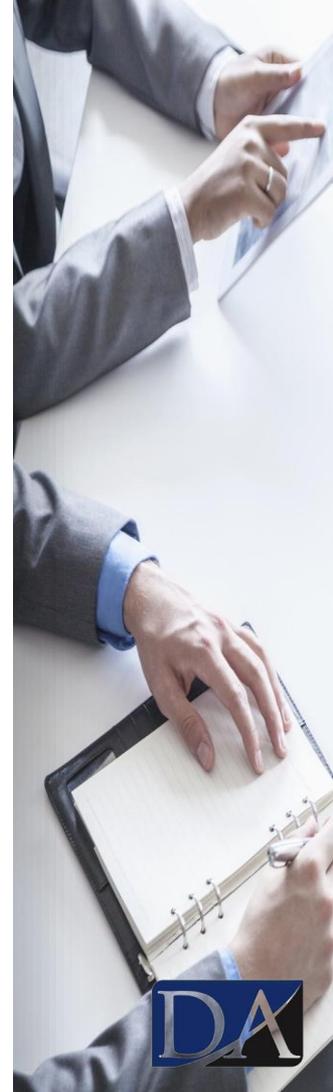
- Range of Gains: 5% to 467%
- Average Gain: 97%

Losers: 5

- None went bankrupt or “went to zero”
- Losers included “flat to down”

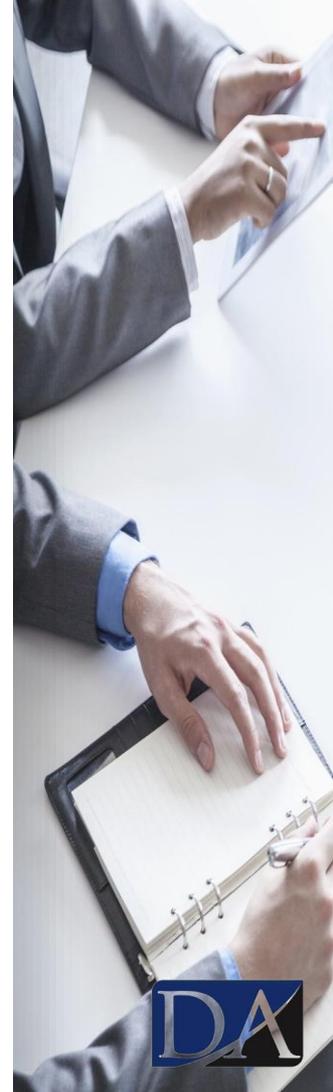
THE SECTORS

- Technology: Digital Media, Security
- Consumer Discretionary: Specialty Retail, Luxury Brands, Gaming/Entertainment
- Biotech and Healthcare
- Industrials
- Financial Services



Recommended Stocks from Our Micro Cap Colleagues

Biotech/Healthcare	Financial Services	Industrial	Tech	Specialty Retail/Consumer Discretionary
RDHL	CSVI	XEBEF	HEAR	EXXRF
CRSP	FTHM	HDSN	MWK	FNKO
ENDP	EXPI	ARNC	ONDS	AOUT
PACB	GROW	LIQT	VOXX	EZPW
VIVT		SWM	AIRG	KIRK
SNY		NAT	OIIM	BGFV
TRVN		ISSC	KOPN	BOLS
REGN		TGI	VUZI	CTRN
OTRK		WLMS	LBTYA	FLWS
		STRL	USAT	LOV
		ALTG	BLIN	CZR
		PACK	SONM	DKNG
		SEE	MGNI	DMYT
		SNN	APPS	
		LMPX	SHSP	
		AP	TLS	
		DLHC		



Who Cares About Micro Caps? (Here are some of us who do)

Perritt Capital

Constitution Asset Management

Dakota Asset Management

Private Investors

Ironwood Capital Management

Taglich Brothers

Legend Capital Management

Invicta Capital Management

Mangrove Capital Management

Manatuck Hill Capital Management

Silvercrest Capital Management

First Wilshire Asset Management

Maze Investments

Hori Capital Management

Rutabaga Capital Management

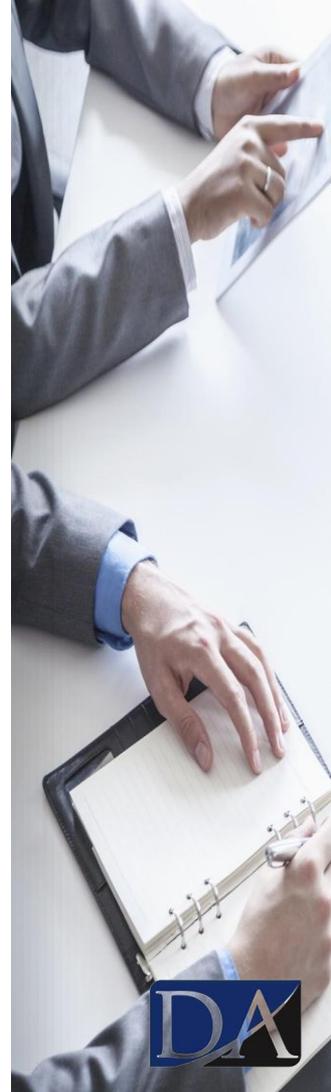
G2i Partners

Morgan Stanley

Ancora Management

Axiom Asset Management

Casey Capital

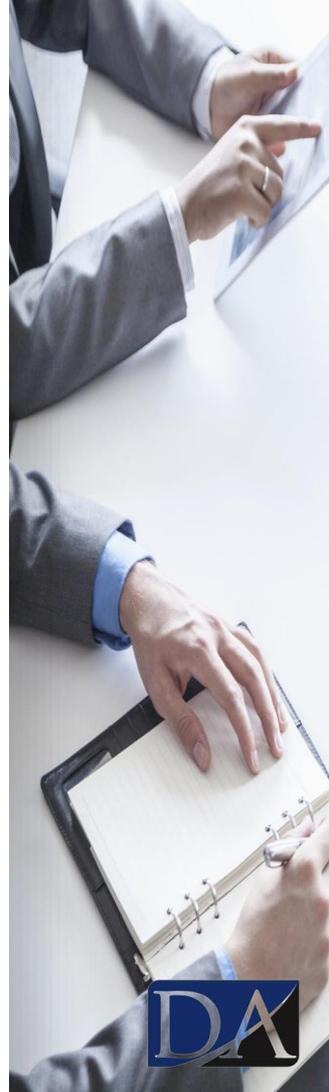


Takeaways

The 5-year Micro Cap **Slump is OVER**--if you did not enjoy an exceptionally strong 2nd half 2020 stock performance you need to rethink your strategy if you are long! And particularly if you held a few DarrowIR clients like MVIS, DYNT, or LAKE, you also crushed it!

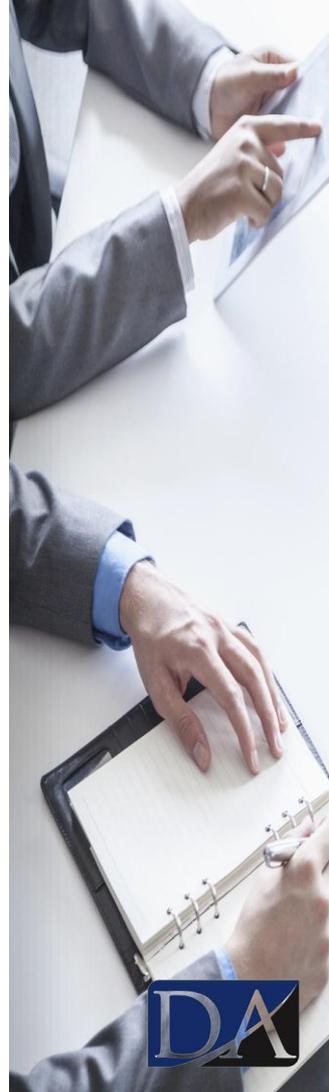
We have comments by the three individuals that picked the highest performing stocks of those that were mentioned and that we tracked:

- ❑ **Craig Rose, Axiom Asset Management**, mentioned APPS at \$16/share in August and KOPN \$1/share in August. Both are up over 400% since then.
- ❑ **Wally Wadman, Constitution Asset Management**, mentioned MWK at \$8.38 in August. The stock is now \$34/share. He also mentioned EXPI at \$17, now over \$50.
- ❑ **Tom Kutmus** called PACB and ENDP. Also multi-baggers. Proof that retail investors are capable participants too-no he doesn't trade on Robin Hood, but he could.



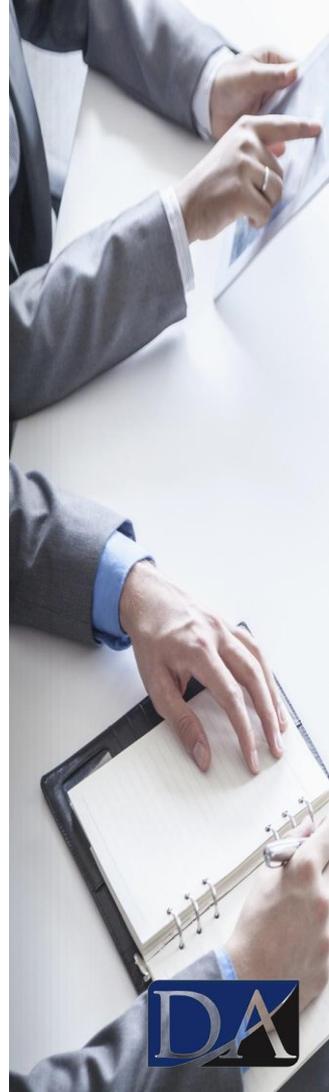
Retail Advisor, Craig Rose: KOPN, APPS

- Background as an investor
- Why KOPN and APPS in 2020?
- Which sectors/themes/fundamentals are you looking to in 2021 to put your clients into?
- What are the top 3 things that you need to know before placing a buy order



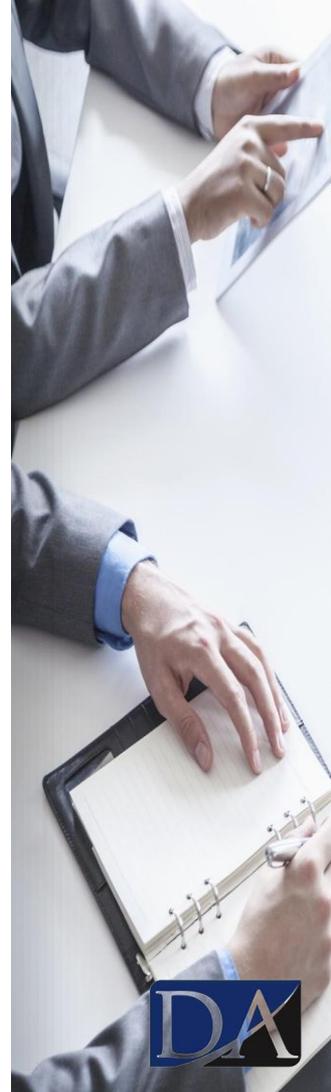
Institutional Investor, Wally Wadman: MWK, EXPI

- Background as an investor
- Why MWK and EXPI in 2020?
- Which sectors/themes/fundamentals are you looking to in 2021 to put your clients into?
- What are the top 3 things that you need to know before placing a buy order



Individual Investor, Tom Kutmus: PACB, ENDP

- Background as an investor
- Why PACB and ENDP in 2020?
- Which sectors/themes/fundamentals are you looking to in 2021 to put your clients into?
- What are the top 3 things that you need to know before placing a buy order





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