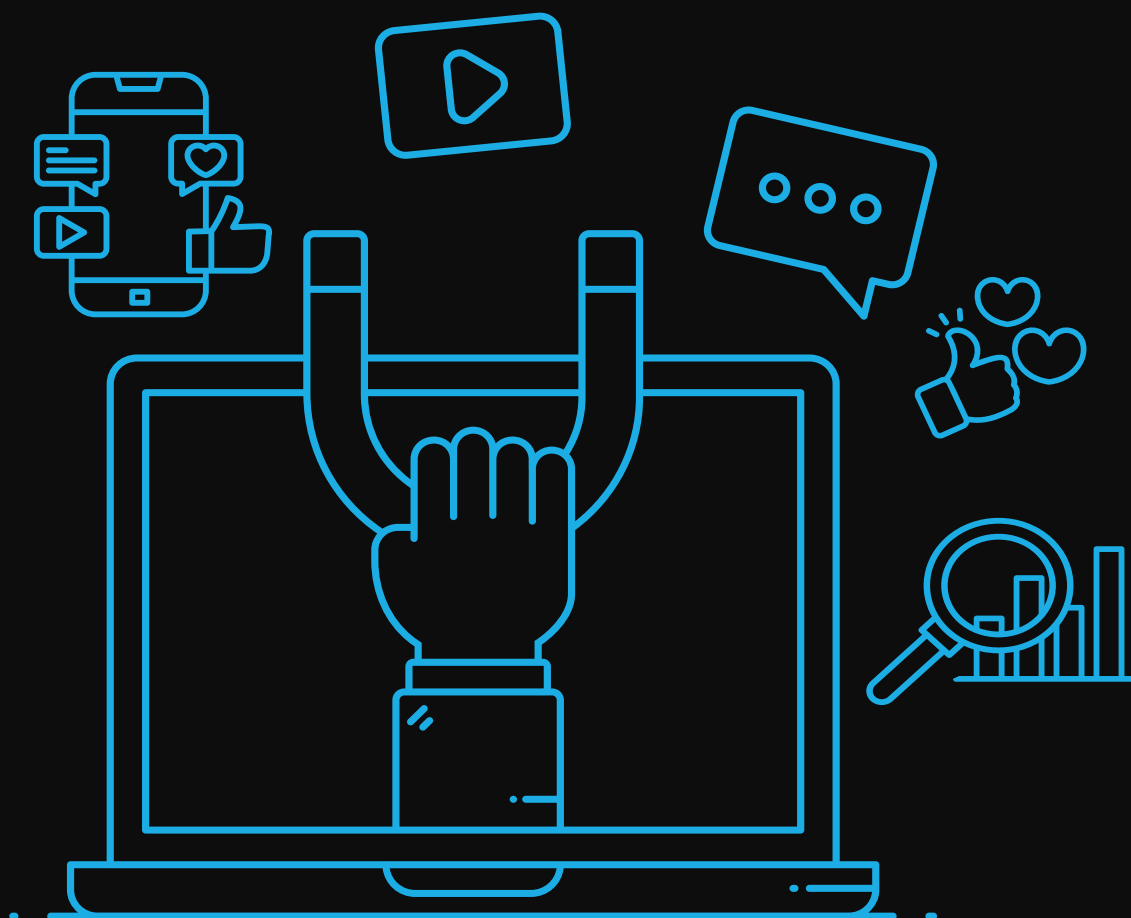


# Investor Relations on Social Media

A guidance for Swedish listed companies



hallvarsson & hallvarsson

# The purpose of this guide

---

The number of Swedish listed companies has grown significantly in recent years, reaching the highest absolute levels among all EU countries. Traditionally, companies have relied on equity research as the primary means to communicate with the equity market. However, today, only a low proportion of the listed companies are covered by analysts. Gaining attention in traditional media has also become highly competitive. Moreover, retail investors have become significantly more important and are key to reach in order to build a strong investor base. This new reality opens for new ways to reach investors, with social media playing an increasingly important role.

Over the past few years, social media platforms have evolved significantly, especially in regard to massive investor communities being formed. Thus, making them an untapped component of investor relations that enables deep reach into a wide demographic of investors that has previously been tough to engage with. This transformation underpins the need for listed companies to adapt and embrace visual and interactive content, leverage influencers, ensure real-time communication, adhere to regulatory guidelines, and integrate social media with traditional channels. Doing so can increase transparency, build trust, and strengthen relationships with both retail and institutional investors.

In times of crisis, social platforms also enable companies to promptly address concerns and provide updates, effectively managing investor sentiment. Furthermore, advanced analytics tools on social media platforms allow companies to gain deeper insights into investor behavior and preferences, enabling more targeted and effective communication strategies that extend to other traditional channels. However, setting out to increase investor relations efforts on social media raises relevant questions concerning market regulations, particularly concerning material disclosures.

This guide gives comprehensive insights and actionable guidelines for navigating the intersection of social media and investor relations. It can work as a practical roadmap for listed companies in Sweden to harness the power of social media for enhanced investor relations. The guide will serve as a resource for executives, investor relations professionals, and communications teams seeking to stay ahead in an increasingly digital, social and dynamic investor environment.

## Who is behind this guide?

Hallvarsson & Halvarsson is an independent strategic and financial communication advisor. We offer Sweden's largest combined expertise in trust-building communication with a complete set of services in corporate reporting, investor relations, transactions, corporate communications, sustainability affairs, public affairs, creative branding and insights. Hallvarsson & Halvarsson is part of Aura.

IRiS (Investor Relations is Social) is a Swedish firm that specializes in helping listed companies navigate implementations of strategies to reach investors on social media. IRiS is also the founder of Daglig Utdelning, Sweden's largest financial channel on Instagram with 100 000+ followers.

Contact: [info@halvarsson.se](mailto:info@halvarsson.se) and [michele@irisgroup.se](mailto:michele@irisgroup.se)

## Disclaimer

This guide is intended as general guidance and should not be regarded as an exhaustive resource. The information provided must be tailored to the specific circumstances and needs of each party and situation. Please note that the guide reflects conditions and relevance at the time of writing and may be affected by changes in regulations or practices over time. The guide addresses corporate communication and actions subject to applicable rules and requirements of the Market Abuse Regulation (MAR). It is the responsibility of each party to ensure compliance with relevant laws and regulations. Seek legal advice as needed to ensure guidance suited to your specific situation.

*Nasdaq has contributed with input to this guide.*

# The main takeaways

---

Social media has become an essential tool for fostering investor relationships, improving transparency, and broadening reach. By strategically leveraging platforms, adhering to regulations, and continuously monitoring performance, Swedish listed companies can position themselves as leaders in digital investor engagement, building trust and long-term shareholder value in an increasingly digital and social era.

## Investors are on social media

Social media has opened new opportunities in investor relations, offering listed companies more ways to communicate with both retail and institutional investors. Platforms such as Facebook, Instagram, X, YouTube, and LinkedIn dominate investor engagement in Sweden.

Social media has, according to the survey executed for this guide, become the second-most important information channel for Swedish retail investors, emphasizing its growing influence alongside traditional finance media. Investor behavior indicates a preference for text-based content across most demographics, with video gaining traction among younger audiences.

Popular content includes market analyses, company updates, and investment strategies. While financial influencers play an increasing role, established finance channels remain the most-followed sources.

## Tailored strategies build investor engagement

To effectively engage with investors, companies can adopt strategies focused on real-time financial reporting, interactive engagement, and educational content. These approaches enhance transparency, foster stronger relationships, and position companies as thought leaders, tailoring efforts to their available resources, from minimal to highly active engagement levels.

The guide emphasizes the importance of reusing content with a strategic framework, turning detailed materials like financial reports into platform-specific micro-content. This process maximizes engagement, directing audiences toward comprehensive resources and strengthening the journey from follower to shareholder.

## Monitoring enhances investor engagement strategies

Effective monitoring and measurement are essential components of a successful social media strategy for investor relations. For listed companies, these practices provide critical insights into the effectiveness of their social media activities in engaging current and prospective investors. By systematically tracking key performance indicators (KPIs), utilizing advanced analytics tools, and regularly analyzing engagement data, companies can refine their content and engagement strategies.

## Transparency and trust mitigate social media risks

Effective risk management and crisis communication in social media investor relations require transparency, trust, and compliance. Active strategies build trust but require significant resources, while passive approaches reduce risk but may limit transparency. Key risks, including regulatory breaches and reputational damage, are addressed with actionable guidance to protect investor confidence.

## Compliance ensures transparency and investor trust

Swedish listed companies must comply with MAR, ensuring equal and accurate disclosure of material information through official channels before using social media. Key risks include insider leaks, selective disclosure, and misleading or poorly timed posts. Clear, compliant, and consistent communication, supported by robust policies, helps maintain transparency and investor trust.

# What is covered in this guide?

---

## Contents

|   |    |
|---|----|
| 1. Understanding social media and the audience of investors                 | 1  |
| 1.1. Overview of social media platforms                                     | 1  |
| 1.2. Social media usage in Sweden   | 2  |
| 1.3. Mapping social media behavior among Swedish investors                  | 3  |
| 2. Best social media practices for listed companies                         | 6  |
| 2.1. Different strategies for investor relations on social media            | 6  |
| 2.2. Quick guide to getting started with investor relations on social media | 7  |
| 2.3. The impact of IRiS Inverted Content Pyramid                            | 8  |
| 3. Monitoring and measuring success   | 10 |
| 3.1. Defining KPIs  | 10 |
| 3.2. Using Analytics Tools  | 10 |
| 3.3. Regular Reporting  | 10 |
| 3.4. Engagement Quality   | 10 |
| 3.5. Audience Demographics  | 10 |
| 3.6. Feedback Loop  | 11 |
| 3.7. Crisis Management  | 11 |
| 3.8. Engagement Rates   | 11 |
| 4. Risk management and crisis communication                                 | 12 |
| 4.1. Passive and active approach to risk management                         | 12 |
| 4.2. List of risks  | 13 |
| 4.3. Crisis communication plan  | 13 |
| 5. Regulatory framework, pitfalls, and transparency                         | 15 |
| 5.1. The Market Abuse Regulation  | 15 |
| 5.2. Potential pitfalls to avoid  | 15 |
| 5.3. Maintain transparency and credibility                                  | 16 |
| 6. Conclusion   | 18 |

# 1. Understanding social media and the audience of investors



Facebook, Instagram, X (Twitter), LinkedIn, Snapchat, YouTube and TikTok represent the most relevant social media (“SoMe”) platforms for engaging with investors. Each with unique potential to reach different investor demographics.

## 1.1. Overview of social media platforms

**Facebook** - offers tools for engaging with a broad audience, including live streaming and community-building features, which can be used to share key updates and foster potential dialogue.

**Instagram** - offers a visually dynamic platform for enhancing corporate image and engaging with investors through curated posts, infographics, and real time updates. It is particularly effective for storytelling and showcasing a company’s brand identity towards a broad audience demographic.

**X(Twitter)** - is a microblogging platform known for real-time communication. It can serve as a key channel for listed companies to share quick updates, news, and announcements. Its hashtag and trending features allow companies to amplify their reach and engage directly with investors, and analysts in real-time.

**LinkedIn** - is the primary platform for professional engagement, enabling companies to share industry insights, corporate updates, and thought leadership. Its focus on professional networks ensures credibility and direct access to relevant stakeholders, employee branding being a subset of the platform.

**Snapchat** - with its focus on real-time, creative content, provides an opportunity to connect with younger demographics. Though less traditional, it can be utilized for visually engaging content to enhance brand perception among emerging investors.

**YouTube** - serves as a valuable platform for listed companies to enhance transparency and engage with investors through long-form content such as earnings reports, corporate announcements, and shareholder updates. Its longer visual format makes it ideal for communicating complex information effectively.

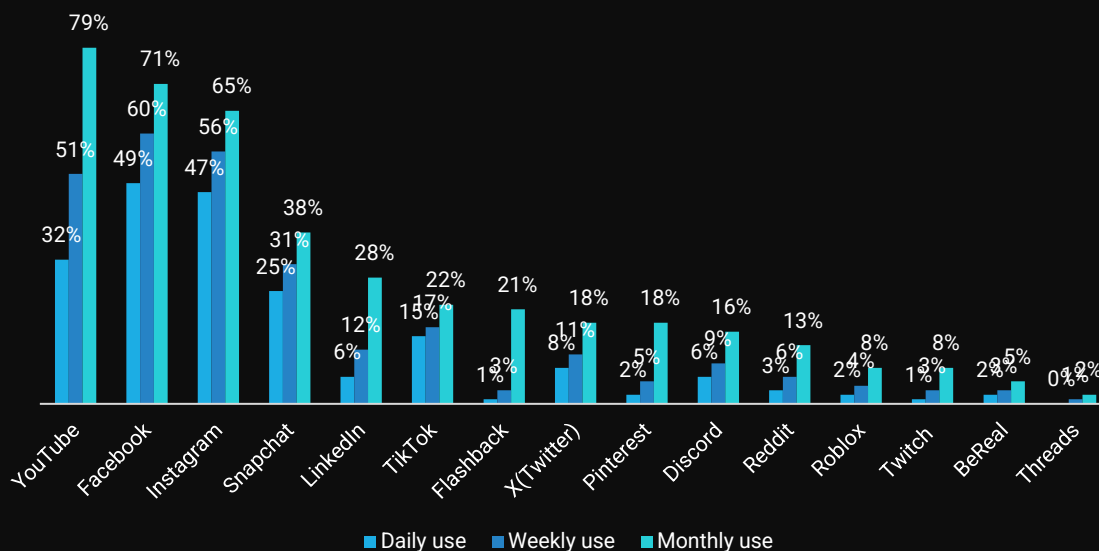
**TikTok** - while unconventional in investor relations, offers a creative medium for reaching younger audiences. Its engaging format can be leveraged to simplify complex concepts and broaden interest in a company’s stock and perceptions of emerging investors.

## 1.2. Social media usage in Sweden

Before diving into specific topics and more granular data, let's broaden the scope before we narrow in.

In Sweden, there are 8.53 million active social media users every day, which represents around 80 percent of the population. Younger generations are the most active, with 97 percent of those born in the 2000s and 93 percent of those born in the 1990s being active on SoMe daily, followed by those born in the 1980s and 1970s at 89 percent. Daily usage gradually decreases with older generations: 83 percent for those born in the 1960s, 74 percent for the 1950s, and around 50 percent for the eldest age groups (Svenskarna och internet, 2024).

Use of different social media platforms



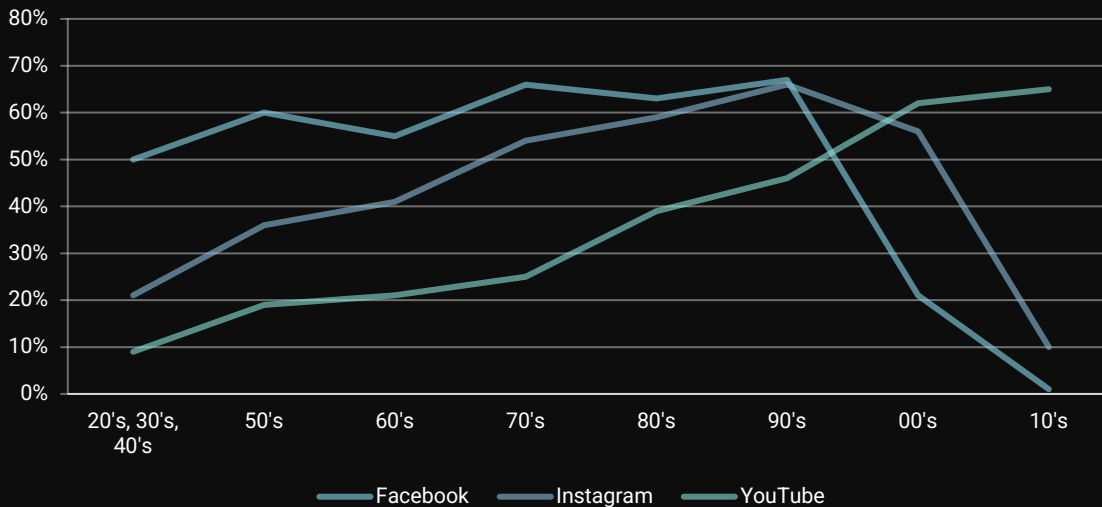
The use of social media platforms among Swedish internet users aged 8 and above. Segmented into three categories: daily, weekly, and monthly. Source: Svenskarna och internet 2024

YouTube, Facebook, and Instagram are the dominant platforms, with the highest overall usage and significant daily engagement. Snapchat, LinkedIn, and TikTok also maintain substantial user bases, though with comparatively lower daily activity. Additionally, platforms like Flashback, Twitter, and Pinterest, while popular, have less frequent user engagement. Finally, the relatively lower engagement with platforms such as Reddit, Roblox, and Twitch have dedicated but even smaller user communities.

Overall, the data underscores the leading role of YouTube, Facebook, and Instagram in the Swedish social media landscape, while highlighting the diverse but less pervasive use of other platforms. Last thing worth noting here is the significant drop in daily usage of Youtube in comparison to Facebook and Instagram.

Before being more IR specific - Let's take a closer at the data on daily usage between YouTube, Facebook and Instagram across varying generations. D

## Facebook, Instagram, and YouTube - daily use



Daily use of Facebook, Instagram, and YouTube among Swedish internet users born in different decades. Source: *Svenskarna och internet 2023*

YouTube has a strong presence across almost all age groups, particularly among younger users. Its usage remains high from young adults to the youngest demographic. Facebook is most popular among older generations, maintaining high daily engagement among middle-aged users. However, it significantly loses popularity among the younger demographics. Instagram shows substantial daily engagement among both younger and older users. While it is highly popular with younger generations, it also maintains significant usage among older age groups.

This data provides valuable insights into the content formats and strategies that may suite the different platforms. High daily usage can be interpreted as more real-time and relevant content getting higher engagement, while lower daily usage can be seen as being more appropriate for longer in-depth content.

### 1.3. Mapping social media behavior among Swedish investors

Research that tracks what people do and want on social media is only as relevant as it is recent, and specific studies into the behavior of investors on social media are few and far between. Therefore, in conjunction with this guide, research was conducted by Hallvarsson & Halvarsson to map the specific SoMe behavior of Swedish investors.

#### About the survey

The survey was conducted through Axiom Insight's omnibus survey. The omnibus is answered by a representative sample of about 2000 Swedish citizens monthly. The field period lasted from 16<sup>th</sup> of August until the 11<sup>th</sup> of September 2024. 1 841 respondents were asked a screen out question about their interest in stocks. 952 respondents with a high or moderate interest in stocks were asked further questions, and form the base of respondents for the results. presented in this section.

### 1.3.1. Channels

Several platforms are rife with users, but not necessarily the right users. For the purposes of investor relations, the right users to target are social media users who invest in stocks.

According to the study, 65 percent of Swedish retail investors take part of information about the stock market on social media, and 42 percent say social media is where they get most of their information.

This makes SoMe the second most important information channel, trailing traditional finance media by mere two percent.

Among Swedish retail investors who take part of stock market related information on social media, Facebook, Instagram and YouTube are the preferred channels to stay informed about the stock market. X (previously Twitter) is also important, but more so among men. Men are also more inclined towards YouTube, and women are more likely to use Instagram and TikTok to keep updated on the stock market.

LinkedIn is more commonly used by the older professional demographic aged 50-64, while TikTok is overrepresented among the youngest demographic.

When asked about the types of sites and accounts they follow or visit on social media when taking part of stock market information, those of established finance channels is the most common option.

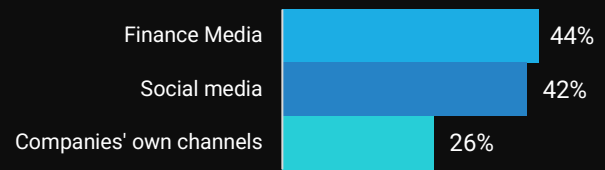
Financial influencers are the second most common, while listed companies own accounts, and specific communities and groups are the least common options.

When asked about the types of accounts and pages they follow or visit on social media when taking part of stock market information, those of established finance channels is the most common option. Financial influencers are the second most common, while listed companies own accounts, and specific communities and groups are the least common options.

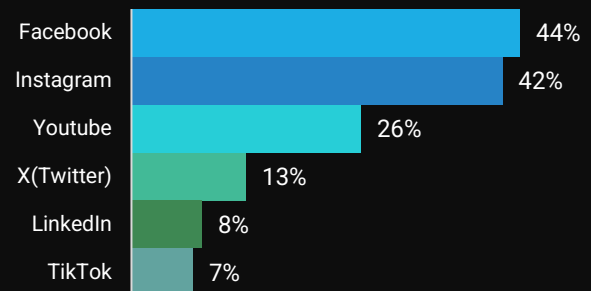
### 1.3.2. Content

When Swedish retail investors, who take part in stock market related information on social media, are asked about their preferred format for such content, text earns the first spot. Respondents could choose between text, video and graphs/infographics, with video coming in at second and graphs/infographics are the least favored option. These preferences are quite stable over most demographics. The main exception being age. Text is most heavily preferred by the older demographics, having the favor of 80

**Most important channel for stock market information**



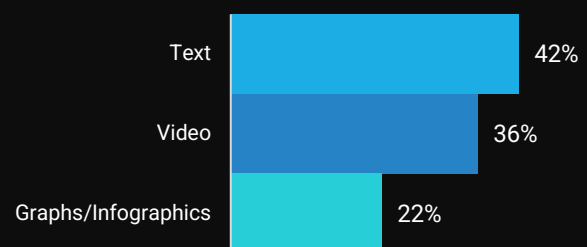
**Most used SoMe platform for stock market information**



**Most popular types of accounts**



**Preferred format for stock market content on SoMe**



percent of the 65+ age group. In the youngest age group, below 29 years of age, 50 percent choose video as their preferred format.

When asked about the type of content they find interesting on social media, Swedish investors have a quite diverse view. Market analysis is the content category most deem interesting, followed by company news and updates.

Investment strategies and analyses of specific stocks also rank high. The types of stock market content found least interesting are interviews, and users rather take part of interviews with experts than with business leaders.

These preferences are quite alike over most demographics, but there is a slight difference between age groups. The younger demographics show relatively more interest in interviews, while the oldest age group find analyses and news more interesting.

### 1.3.3. Influence

Knowing which social media platforms investors use and what type of content they like is a good starting point for successful investor relations on social media. And while building relations is an important part of communicating to investors on social media, it could also have a direct influence on investment decisions.

When Swedish retail investors are asked about reasons for their investment decisions, seeing content about the stock on social media or hearing about it from a financial influencer are the least chosen options.

However, nearly one fifth report having made investments because of social media content or financial influencers. According to investors themselves, they are most likely to make an investment based on tips and recommendations from someone they know.

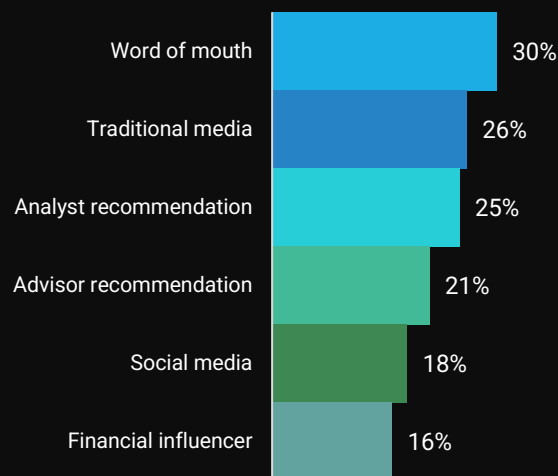
More so than basing their decisions on an analyst's or advisor's recommendations, or on what is written about in traditional media.

The data seen in the past slides highlights that social media is a crucial tool for investor relations, with 42 percent of Swedish investors using it as a primary information source.

**Preferred content about the stock market on SoMe**



**Influence on investment decision**



## 2. Best social media practices for listed companies

---



To achieve long-term success, listed companies must adopt practices that are appropriate to its resources and content generation capabilities. This chapter outlines some of the key practices that listed companies can adhere to and adapt to their own circumstances and preferences that are in line with the broader investor relations strategies across multiple communication channels.

### 2.1. Different strategies for investor relations on social media

This section outlines three key social media strategies to create interest, transparency, and trust. By implementing one or all of these approaches to social media, companies can keep investors well-informed, engaged, and confident in the company's vision and performance.

Each strategy can be implemented to varying degrees, referred to as passive or active. The difference lies in the spectrum of company engagement. An active level of engagement entails searching for new crowds of investors and being a leader of conversations. A passive level of engagement can be seen as more minimal in content frequency and investor dialogue.

#### Strategy 1: Real-Time Financial Reporting and Analysis

This strategy focuses on enhancing transparency and investor confidence by sharing timely and detailed financial information. It involves live streaming quarterly earnings calls on these platforms and posting visually engaging financial summaries. Relevance is key.

By keeping investors well-informed, this approach helps to build trust and credibility, within the regulatory bounds of MAR. This content pillar ensures a base of establishing your channels as the go to place for investors to get real-time information.

#### Strategy 2: Interactive Investor Engagement

This strategy aims to build stronger relationships with investors through direct and interactive communication. It can include hosting live Q&A sessions with executives (not focusing on new market information in violation of MAR, instead focusing on education around the company's market and its market position).

Companies can conduct polls and surveys to gather investor feedback (make investors feel listened to) and actively respond to comments and questions on social media. By fostering open dialogue, this approach enhances investor trust and community engagement. The comment section can also be handled effectively by having a policy to answer questions that have a factual answer but for questions that are more complex it is possible to lean on the safer side by referring to an investor relations email.

#### Strategy 3: Educational Content and Thought Leadership

This strategy positions the company as a thought leader while educating investors about industry trends and the company's strategic vision. It involves producing educational videos, publishing insightful posts and articles by executives, and sharing comprehensive industry reports.

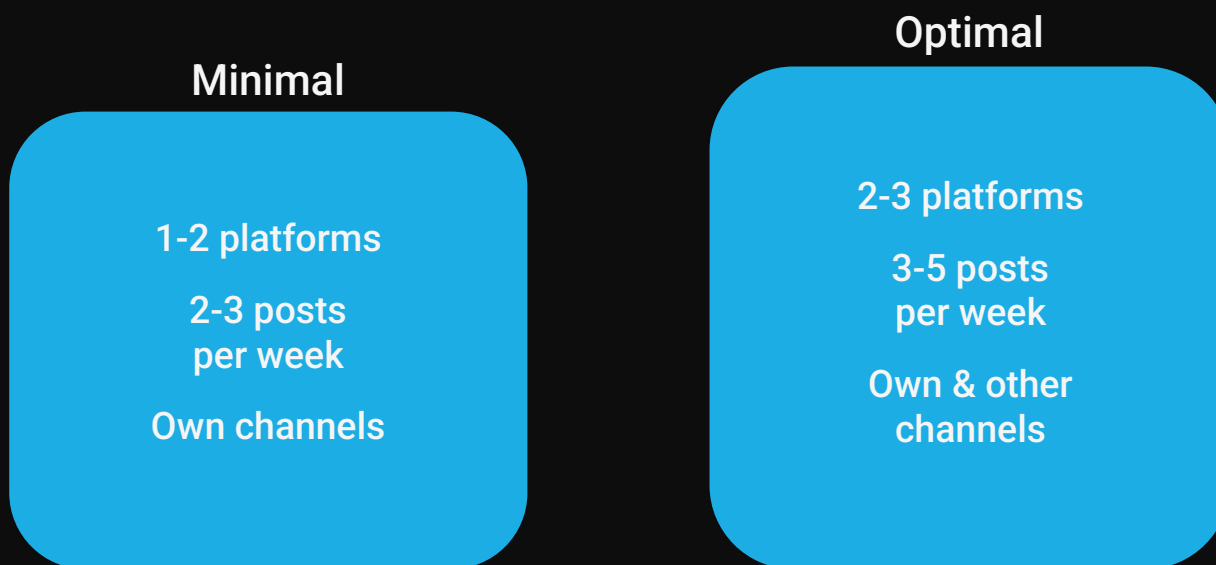
By providing valuable content, this approach helps investors understand the broader context of the company's operations and strategic goals, strengthening their confidence and support of the vision. Using expertise across several different divisions of the organization can help broaden the knowledge that is passed on to investors, strengthening trust, and understanding of the company's business model.

## 2.2. Quick guide to getting started with investor relations on social media

This quick guide outlines a practical framework for leveraging social media in investor relations. It begins by helping to determine the appropriate level of activity based on resources, followed by content creation strategies to engage investors effectively. Lastly, it explores how to convert followers into shareholders through consistent engagement and trust building.

### Step 1: Decide the appropriate level in relation to the resources available

Below are two publishing levels for investor relations on social media, tailored for listed companies based on their available resources and strategic goals. Understanding these levels is crucial for several reasons. It helps companies allocate resources effectively, ensuring their social media efforts are sustainable. By grasping the requirements of each level, companies can budget time, personnel, and financial resources.



A minimum level is ideal for companies with limited resources. This level recommends focusing on 1-2 platforms with 2-3 posts per week, primarily using the company's own channels. This approach ensures a manageable workload while maintaining a consistent presence. The reason for this level to be considered minimum is to make sure a company does not lose organic traffic from investors searching for the company channel on their selected platform.

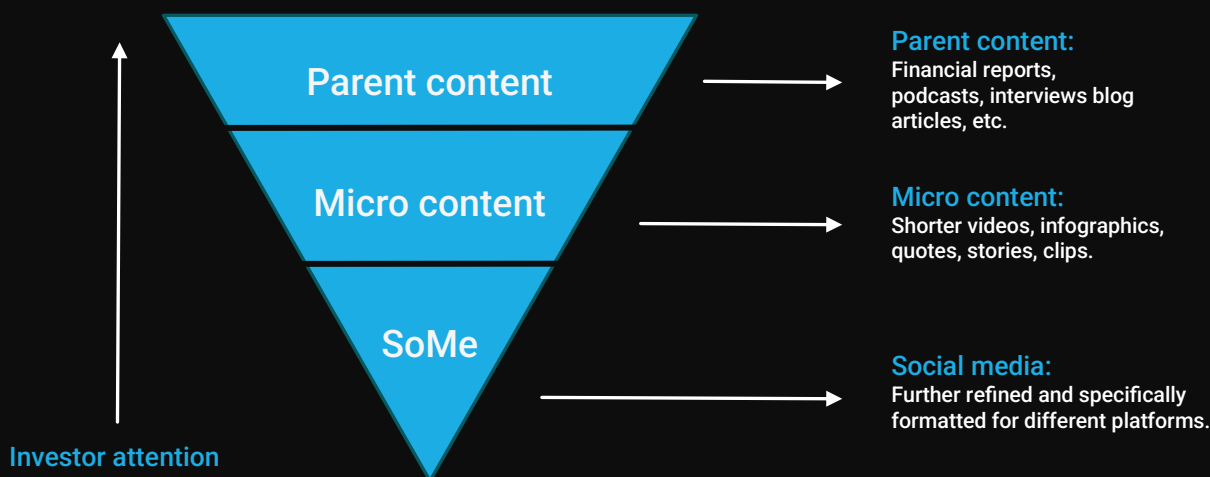
An optimal level is suited for companies with more resources, this level involves utilizing 2-3 platforms with 3-4 posts per week, leveraging both the company's own channels and others. This approach maximizes reach and engagement, offering more comprehensive communication with investors.

When choosing the most applicable level, companies should evaluate their internal resources, including team size, budget, and available tools. If resources are limited, starting with the minimum level ensures a sustainable approach. The company's strategic goals for investor relations should also be considered.

If the goal is to quickly expand reach and deepen engagement, the optimal level may be more suitable, provided the resources are available to support it. Also, starting at the minimum level allows for scalability. As the company's resources grow and the initial strategy proves successful, it can gradually move towards the optimal level, ensuring a controlled and effective expansion of its efforts in communicating with investors on social media.

### Step 2: Adapting and reformatting content (IRiS Inverted Content pyramid)

Understanding the inverted content pyramid is essential for listed companies as it enables them to maximize the impact of existing comprehensive content on social media platforms. By refining financial reports and executive interviews into engaging, platform-specific posts, companies can effectively broaden their reach, enhance engagement, and direct investors to more in-depth information.



1. The Content Pyramid illustrates a strategic approach to leveraging existing content - The process starts with comprehensive "parent content" at the top, which includes in-depth materials such as financial reports, podcasts, interviews, and blog articles. Companies already produce this content as part of their traditional investor relations activities. This serves as the primary source of information to create further segmented content.
2. The next level, "Micro content" involves refining the existing parent content into shorter, more digestible pieces. This includes shorter videos, infographics, quotes, stories, and clips. These pieces distill key messages and data into formats that are easier for a broader audience to consume quickly.
3. At the base of the pyramid, "Social media", the micro content is further adapted and formatted specifically for various social media platforms. This ensures that the content is optimized for engagement on platforms like LinkedIn, Facebook, YouTube, and Instagram.

### 2.3. The impact of IRiS Inverted Content Pyramid

The attention garnered from engaging social media content serves to lead investors up the pyramid to the more detailed parent content. For instance, a compelling LinkedIn post or Instagram post can raise interest and focus on reach rather than depth, this then prompts followers to move up the pyramid and read the full report or watch an entire interview on YouTube with the CEO.

The Content Pyramid also entails monitoring engagement metrics on social media to understand which types of content resonate most with your audience. Use these insights to refine future parent content, creating a continuous improvement loop that enhances overall investor communication.

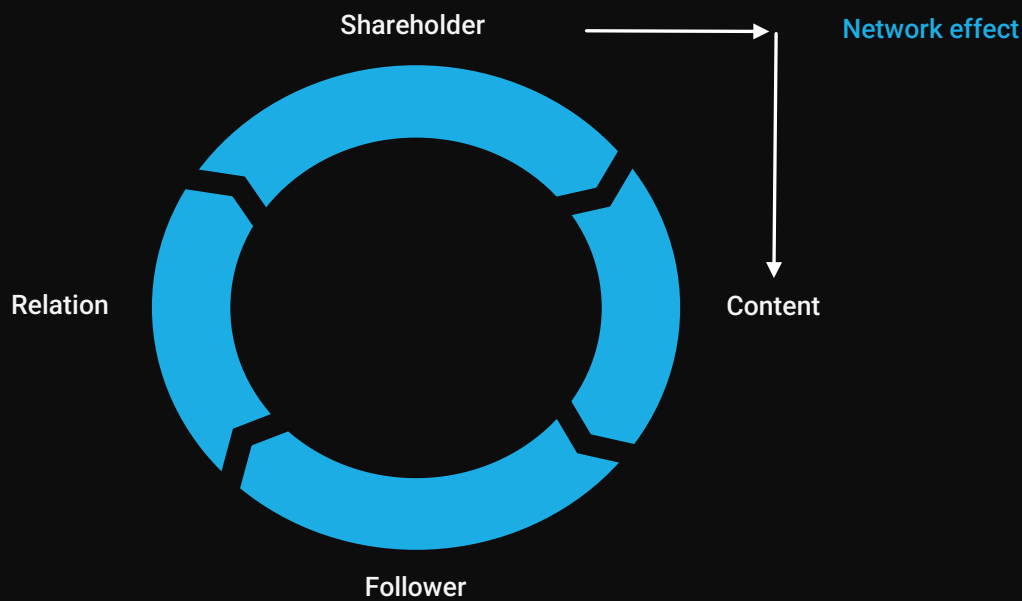
Example:

1. Parent Content - Publish a detailed quarterly earnings report.
2. Micro Content - Create an infographic highlighting key financial metrics and a short video summary of the earnings call.
3. Social media Content - Share the infographic on Instagram and LinkedIn, post the video on YouTube, and use snippets and quotes from the report on Twitter.

By refining existing parent content into formats suitable for social media, listed companies can create a cohesive and efficient content strategy that maximizes engagement and effectively communicates with their investor audience. Working with existing content already regulatory approved ensures an extra safety layer to not step out of bounds in regard to MAR.

### Step 3: From follower to shareholder (IRiS Content Cycle)

The model illustrates the transformative journey from follower to shareholder facilitated by effective investor relations on social media.



The model highlights a cyclical process where strategic content creation and engagement foster relationships converting followers into shareholders. As the shareholder base on social media grows, a network effect emerges, further amplifying the company's presence and attracting more followers, thus perpetuating the cycle.

Recognizing the network effect within this cyclical model is key. As shareholders create their own content and share thoughts, they organically amplify the company's message, attracting more followers and new potential investors without additional effort from the company. This leads to a self-perpetuating cycle of growth, where continuous content and engagement drive sustainable expansion of the investor base.

Understanding this model allows companies to optimize their resources by focusing efforts on content that fuels this cycle. This model not only enhances the company's ability to attract and retain investors but also builds a robust online community that is in line with long-term investor relations goals.

**1. Content Creation:** The cycle begins with high-quality content tailored for social media as described in with IRIS Inverted Content Pyramid. This content can range from financial reports and executive interviews to educational infographics and interactive posts.

**2. Getting Followers:** By consistently sharing valuable and engaging content, the company captures the interest of potential investors and builds a following. Using other channels on the same platform to share a company's content is an excellent way to amplify reach and get more followers.

**2. Building Relationships:** Through regular interaction and engagement, the company nurtures these followers, fostering trust and a sense of community. Responding to comments, hosting live Q&A sessions, and actively participating in conversations help deepen these relationships. This stage is crucial as it transforms passive followers into engaged supporters.

**3. Conversion to Shareholders:** As followers grow more engaged and informed about the company's performance and prospects, they are more likely to become invested in the company's vision, becoming shareholders. Investors that are shareholders might also deepen their trust to the company and in turn become larger shareholders over time.

**4. Network Effect:** With an increasing number of shareholders engaging on social media, a network effect begins to take shape. Shareholders often share their thoughts and create their own content related to the company. This follower-generated content further amplifies the company's reach and credibility, attracting new followers.

**5. The Cycle Continues:** This network effect attracts more followers, who then enter the cycle, consuming content, building relationships, and potentially becoming engaged shareholders. Each new follower and shareholder contributes to the growing momentum, perpetuating and strengthening the cycle.

# 3. Monitoring and measuring success

---



Effective monitoring and measurement are essential components of a successful social media strategy for investor relations. For listed companies, these practices provide critical insights into the effectiveness of their social media activities in engaging current and prospective investors. By systematically tracking key performance indicators (KPIs), utilizing advanced analytics tools, and regularly analyzing engagement data, companies can refine their content and engagement strategies.

## 3.1. Defining KPIs

For listed companies aiming to attract investors via social media, it is essential to identify specific KPIs that align with investor relations goals. These include:

- **Engagement Metrics:** Likes, shares, comments, and mentions.
- **Reach Metrics:** Number of followers, impressions, post reach and demographic.
- **Conversion Metrics:** Click-through rates to detailed content such as financial reports, website traffic, trading volumes when spikes in engagement are noticed and number of shareholders over time.
- **Sentiment Analysis:** The overall tone and sentiment of mentions and comments regarding the company.

## 3.2. Using Analytics Tools

Using social media analytics tools is crucial for tracking these KPIs effectively. Google Analytics can offer insights into website traffic coming from social media platforms, highlighting investor interest. Twitter Analytics and LinkedIn Insights provide detailed platform-specific data on engagement and reach. Third-party tools can integrate data from multiple sources, offering a comprehensive view of social media performance. These tools help identify trends, understand investor behavior, and make data-driven decisions to attract more investors.

## 3.3. Regular Reporting

Setting up regular reporting intervals (weekly, monthly, quarterly) reviews and analyzes social media performance consistently. Regular reports help identify trends over time, understand which content strategies attract the most investor interest, and make informed decisions about future content planning.

These reports should include key metrics, insights, and recommendations for adjustments to improve engagement and reach among potential investors. Not focusing on regular reporting will lead to possible shifts that may go unnoticed and undressed.

## 3.4. Engagement Quality

Monitoring the quality of engagements is as important as tracking their quantity. High-quality interactions, such as thoughtful comments, questions, and detailed shares, indicate a more engaged and informed audience. These interactions are more likely to lead to investor conversions. Analyzing the depth and relevance of engagements helps understand the true impact of content and how it influences investor decisions.

## 3.5. Audience Demographics

Understanding the demographics of followers is crucial for listed companies to tailor their content effectively. Knowing the age, location, and interests of the audience allows for the creation of more targeted and relevant content.

Demographic insights help in segmenting the audience and delivering personalized messages that resonate more deeply with specific investor groups, enhancing overall engagement and conversion rates.

### **3.6. Feedback Loop**

Using insights gained from monitoring to create a feedback loop is an essential part of continuous improvement. Regularly analyzing performance data and adjusting the content strategy based on what is working well and what is not, ensures that efforts remain relevant and effective. This iterative process helps refine the approach, maximize impact, and maintain alignment with the goal of attracting investors.

Better insight into content effectiveness and sentiment will also be of help to improve traditional Investor relation activities. Working by this process will also improve your understanding of which investor demographic your company resonates most with, this is crucial to understand how a company can work with content further up IRiS Inverted Content Pyramid.

### **3.7. Crisis Management**

Monitoring for negative sentiment or crises is crucial to maintain investor trust and manage reputation. Having a plan in place for rapid response to negative comments or misinformation helps mitigate potential damage. Active crisis management includes regularly scanning social media for potential issues, preparing pre-approved responses, and training the team to handle sensitive situations effectively. This training should also extend to all employees and their personal LinkedIn profiles.

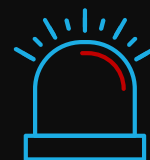
### **3.8. Engagement Rates**

Tracking engagement rates over time helps assess long-term trends and the sustained impact of content and engagement strategies. By analyzing how engagement rates evolve, companies can understand the effectiveness of their campaigns and make necessary adjustments.

This long-term perspective is vital for building and maintaining a robust social media presence that continually attracts investors. To go even further can entail cross-referencing social media activity to a stock's short-term spikes in liquidity.

# 4. Risk management and crisis communication

---



This chapter expands on the passive and active approaches as mentioned in chapter 2, focusing on managing risks when communicating with investors on social media. It outlines potential risks associated with investor relations on social media, and offers actionable guidance on preparing for and managing these challenges. Ensuring transparency, maintaining investor trust, and adhering to legal requirements are central themes in this discussion.

## 4.1. Passive and active approach to risk management

When managing risks connected to investor relations on social media, companies can align their communication strategy with their chosen approach – either passive or active – detailed in chapter 2. Each approach has its own benefits and challenges in terms of reducing risks.

The active approach emphasizes frequent and direct engagement, which mirrors the strategies described earlier, such as interactive investor engagement and educational content creation. Companies using this approach proactively manage risks by anticipating and addressing issues before they escalate. They actively monitor social media trends and investor sentiment, enabling them to preemptively address concerns.

Regular communication is a hallmark of this strategy, with companies sharing timely updates like real-time financial reports or educational posts that help shape investor perceptions and build trust. During crises, the active approach involves swift and clear engagement, responding to inquiries and initiating dialogues to clarify the company's position or reassure stakeholders.

However, this level of engagement comes with risks. Over-communicating can lead to message dilution or misinterpretation, and continuous communication demands significant resources, including dedicated teams and tools. Furthermore, the heightened activity increases the risk of unintentionally disclosing sensitive or non-compliant information, which can have serious legal and regulatory consequences.

On the other hand, the passive approach aligns with a more cautious use of social media, focusing on essential and legally required disclosures. Companies adopting this strategy minimize exposure by limiting updates to significant financial announcements or regulatory information, reducing engagement to selectively address investor inquiries. This approach can be especially effective for companies with fewer resources or those in highly regulated industries, as it helps maintain control over messaging and avoids unnecessary risks. Social media is often used as a controlled channel for issuing statements during crises, ensuring that communication remains focused and compliant.

However, the passive approach is not without its drawbacks. By limiting communication, companies may miss opportunities to shape investor perceptions or foster stronger relationships. Additionally, minimal interaction can lead investors to perceive the company as less transparent and potentially eroding trust.

Choosing between these two approaches depends on factors such as the company's size, available resources, investor expectations, and industry characteristics. Larger companies with a broad audience and complex operations may benefit from an active approach to maintain transparency and manage the flow of information effectively. Conversely, smaller companies might find the passive approach more manageable and less risky. The decision ultimately depends on whether the potential benefits of broader investor engagement outweigh the risks associated with increased communication.

In both cases, understanding the risks inherent in social media communication is essential. While social media offers an efficient channel for direct interaction with investors, it also demands careful management to avoid unintended consequences. The next section explores specific risks associated with investor relations on social media and provides guidance for handling crises, ensuring that companies can maintain trust and credibility even in challenging situations.

## 4.2. List of risks

Using social media as a channel for investor relations can provide numerous advantages, but it also exposes companies to several potential risks. From legal issues to reputation damage, companies need to be aware of the dangers that can arise from miscommunication or improper use of these platforms.

This section outlines some key risks associated with investor communication on social media, and highlights the importance of compliance, accuracy, and control in managing these challenges effectively.

### **Regulatory compliance and disclosure risks**

The regulatory compliance and disclosure risks constitute one of the main risks. Any selective or untimely disclosure of information on social media could result in breaches of MAR. Moreover, companies might unintentionally make forward-looking statements on social media that could be misinterpreted by investors or regulators. These statements might not comply with guidelines or rules, putting the company at legal risk.

### **Reputation and brand risks**

Information on social media can be quickly amplified, and any misleading or unclear messaging can harm the company's reputation. Missteps, even if minor, can lead to widespread criticism. Once information is shared on social media, companies lose control over how it is spread, interpreted, or altered, potentially leading to misinformation.

### **Market volatility risks**

Any communication on social media can cause sudden market reactions. If the message is misunderstood or amplified incorrectly, it can lead to unnecessary volatility in the company's share price.

### **Inside information risks**

Employees or company representatives could inadvertently share non-public, price-sensitive information on social media, leading to accusations of insider trading or other regulatory violations.

### **Cybersecurity and privacy risks**

Social media accounts can be hacked, resulting in unauthorized posts that could mislead the market or harm the company's reputation. Also, fake accounts impersonating the company can cause confusion or spread false information, thereby damaging investor trust.

### **Limited depth for complex information**

Social media often forces companies to condense complex financial or operational information, which can lead to misunderstanding or incomplete knowledge among investors.

### **Platform-specific challenges**

Algorithms of social media platforms determine who sees a company's posts. Important investor-related communications may not reach the intended audience due to platform limitations or algorithm changes.

## 4.3. Crisis communication plan

Social media is an important channel to analyze and track during a crisis and should therefore be a part of the crisis communication plan. The crisis communication plan helps the company to be prepared to provide a clear and structured response to negative publicity or misinformation that could impact a listed company's reputation, share performance, and public trust. However, crisis communication on social media should be coordinated with communication shared on other channels.

Examples of what a crisis communication plan can contain is given below.

### **Before the crisis:**

- Establish a crisis management team

### **During the crisis:**

- Monitor social media
- Assess the situation
- Establish key messages
- Develop a response strategy
- Engage with key stakeholders
- Ongoing monitoring and adjustments

**After the crisis:**

- Post-crisis analysis
- Legal and regulatory follow-up
- Rebuilding trust

**4.3.1. Communicate on social media through a crisis – an overview**

Handling sensitive topics and managing investor expectations on social media during crisis situations is critical for listed companies. Given the legal and regulatory landscape in Sweden, including adherence to the rules set by Nasdaq Stockholm, it is essential to be transparent, careful, and compliant. All listed companies must have an information policy that specifies how the company should communicate in certain situations.

Generally, a company facing a crisis should begin by promptly acknowledging the issue with verified information, avoiding speculation or unfulfilled promises. The company should provide concise and fact-based updates that highlight the company's stability and long-term strategies to reassure investors. While responding to concerns on social media, complex queries should be directed to investor relations teams or private channels for more thorough discussions.

Furthermore, it is essential to maintain a calm and emphatic tone throughout the communications. The company should remain professional, show understanding of investor concerns, and emphasize the company's focus on resolving the issue. Having pre-approved responses ready will allow for quicker, legally compliant replies. The company should also ensure that all social media posts are reviewed by the legal team before publishing. To maintain consistency, social media updates should be linked to official company statements, directing the audience to reliable, detailed information.

After the crisis has subsided, the company should follow up with investors by updating them on the actions taken and the steps planned to prevent future issues through a press release. This approach will help to rebuild trust and restore investor confidence.

# 5. Regulatory framework, pitfalls, and transparency

---



Social media offers opportunities for investor engagement, but Swedish listed companies must ensure compliance with the Market Abuse Regulation (MAR). This section focuses on using social media responsibly while adhering to regulatory requirements.

In Sweden, listed companies are subject to regulations and guidelines regarding communication. As investor relations on social media becomes more relevant, many Swedish listed companies want to use this channel as a complement to regulatory information disclosure, i.e. press releases.

The main regulation for listed companies in the European Union is The Market Abuse Regulation<sup>1</sup> (“**MAR**”) which will be briefly described in this section. Please be advised that this is a summary and does not constitute a complete account of the applicable rules and other legislation for issuers with financial instruments admitted to trading on Nasdaq Stockholm or Nasdaq First North Growth Market.

## 5.1. The Market Abuse Regulation

MAR is a binding EU regulation that aims to protect investors by increasing transparency in the financial markets, and thereby penalize insider trading, market manipulation, and unlawful disclosure of information. MAR applies to all forms of communication, including social media, and mandates that all investors must have equal access to important information. Companies cannot selectively disclose material information to only certain investors.

It is not permitted to disclose inside information via social media. However, it is permitted to disseminate the same information on social media after the inside information has been disclosed through a press release. The information published on social media, after a regulatory press release has been published, must not include more detailed information than what is stated in the press release.

Companies listed on Nasdaq Stockholm, as well as Nasdaq First North Growth Market, must disclose inside information in accordance with MAR. The inside information shall be disclosed in a way that ensures it is made available to the public in a manner that is non-discriminatory and ensures that the information reaches the whole market.

## 5.2. Potential pitfalls to avoid

When communicating with investors on social media, listed companies need to be cautious of several regulatory pitfalls to ensure compliance with relevant regulations. Some examples of potential pitfalls are given below along with a general example for each.

### Disclosure of inside information

- **Pitfall:** Swedish listed companies are required to disclose insider information in a manner that ensures equal access to all investors, i.e. through a press release. Posting inside information on social media is a regulatory violation.
- **Example:** If a CEO tweets about a major new contract before a press release is disclosed, it does not ensure that the market has equal access to the information which is not allowed pursuant to MAR.

### Selective disclosure

- **Pitfall:** Engaging with specific investors or groups on social media in a way that provides them with more detailed or timely information than is available to the public, will lead to accusations of selective disclosure.
- **Example:** A company responding to a specific investor’s query on LinkedIn with detailed financial guidance that has not been publicly shared through a press release.

---

<sup>1</sup> Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse

### Misleading information

- **Pitfall:** Companies must ensure that all information shared on social media is accurate and not misleading. Any forward-looking statements must be in sync with already published information.
- **Example:** A company posts forward-looking statements about future performance on social media before this information has been disclosed via a press release.

### Market Manipulation

- **Pitfall:** Social media can be used to influence share prices, whether intentionally or unintentionally. Companies must be cautious not to post statements that could be interpreted as attempts to manipulate the market.
- **Example:** A series of positive posts about future prospects, for example made by a member of a company's executive management team, could be seen as an attempt to affect the share price in addition to constituting a breach of MAR.

### Language and clarity

- **Pitfall:** Miscommunication can occur due to the informal nature of social media. If a company uses unclear or ambiguous language, it can lead to misunderstandings among investors.
- **Example:** A company uses industry jargon or informal language in a Facebook post that leads to confusion about the company's financial position or strategic direction.

### Timing of announcements

- **Pitfall:** The timing of social media posts must align with formal regulatory announcements to avoid giving certain investors a timing advantage.
- **Example:** Posting financial results on X before they are officially released through a press release and made available on the company's website.

### Engagement with rumors

- **Pitfall:** Companies may face pressure to respond to rumors or speculation on social media. Engaging with such content can sometimes inadvertently confirm or deny market-sensitive information.
- **Example:** A company responds to a rumor about a potential merger on social media, indirectly confirming the negotiations, which were meant to be confidential.

In summary, while social media can be a powerful tool for investor relations, listed companies must navigate a complex landscape of regulations to avoid these and other potential pitfalls.

## 5.3. Maintain transparency and credibility

As social media continues to grow as a communication channel for investor relations, Swedish listed companies must balance the need for timely engagement with regulatory obligations. Transparency and credibility are crucial while communicating with investors on social media, and there are several key practices that should be followed.

First, it is essential to understand and comply with regulatory requirements as explained earlier in this chapter. MAR mandates that material information must be disclosed through official channels, i.e. press releases, before sharing it on social media platforms. Social media should be used as a supplementary tool to amplify already disclosed information. Posts should include links to detailed press releases or regulatory filings to provide investors with complete and accurate information.

Consistency and clarity are crucial in investor communications. Messages shared on social media must align with the company's overall investor relations strategy. Language should be clear and unambiguous to avoid misinterpretation. Establishing a robust social media policy is essential. This policy should include an internal approval process for investor-related posts to prevent accidental disclosures and ensure compliance with regulations. Employees should receive training on regulatory requirements and the company's communication guidelines to minimize the risk of errors.

Responsible engagement with investors on social media is vital. The company should respond to investor queries in a timely manner while ensuring responses do not disclose material non-public information. Comments and interactions should be monitored to prevent the spread of misinformation or inappropriate speculation. Transparency can be demonstrated by posting regular updates on financial results, corporate governance, and strategic developments. If misinformation is inadvertently shared, corrections should be issued promptly and transparently.

The use of technology can enhance communication efforts. Analytics tools can help monitor engagement, gauge investor sentiment, and adjust communication strategies as needed. Monitoring tools can also track compliance risks to ensure posts adhere to regulatory standards. Authenticity helps build credibility. Posts from senior executives can personalize communication, and content highlighting corporate social responsibility efforts, sustainability initiatives, and company culture can provide a more comprehensive view of the organization.

To effectively engage both local and international audiences, the company should consider posting in both Swedish and English. Localized content can resonate with specific audience groups while maintaining compliance with disclosure rules. Regular reviews and audits of social media activities are necessary to ensure effectiveness and adherence to regulations. The company should stay updated on any changes in regulatory requirements and adjust its policies accordingly. By following these practices, the company can maintain transparency and credibility, meet compliance obligations, and build trust with its investors over the long term.

## 6. Conclusion

---



Social media has firmly established itself as a cornerstone in modern investor relations, providing listed companies with opportunities to engage with retail and institutional investors alike. By integrating social media into their communication strategies, companies can amplify their reach, foster trust, and build transparency, all while adapting to the preferences of diverse investor demographics.

With more investors relying on social media as a primary source of information, listed companies have a unique opportunity to engage directly and meaningfully with their investor audience. By meeting investors on platforms they already occupy, companies can build stronger relationships and foster a deeper understanding of their business model.

The shift toward social media also signals a broader transformation in how trust and transparency are established. Investors today value direct access to information and open communication. Companies that embrace this shift, using social media thoughtfully and responsibly, have the chance to not only inform but also connect with investors in ways that create lasting value. Social media is no longer just a tool for communication – it is becoming an essential part of how companies build trust with investors.

The future of investor relations is digital, dynamic, and social. In ten years – these platforms might be considered as traditional investor relations channels. Starting now rather than later can provide an exponential advantage that proves crucial in the long term.