LUCOSKY BROOKMAN

THE BELL ISN'T GOING TO RING ITSELF

THE ART OF UPLISTING, CROSS-LISTING AND MICRO-CAP IPOS

ABOUT LUCOSKY BROOKMAN LLP

Lucosky Brookman is a boutique corporate and securities law firm directly serving the micro-cap and small-cap markets, specializing in sophisticated corporate and capital markets transactions, mergers and acquisitions, secured and unsecured lending deals and commercial and securities litigation.

Israel
Tel-Aviv Stock Exchange

Sweden
Stockholm Stock Exchange

Australia
Australian Stock Exchange

Indonesia
Indonesia Stock Exchange

Canada
Toronto Stock Exchange
Canadian Stock Exchange
Cboe Canada

Nigeria
Nigerian Stock Exchange

United Kingdom
London Stock Exchange

BEHIND THE LISTING REQUIREMENTS

Nasdaq's and NYSE's Main Listing Requirements

NASDAQ VS NYSE

NASDAQ		NYSE
$5 million	**Stockholders’ Equity**	$4 million
$4.00	**Share Price**	$3.00
300 150 Round-Lot valued at $2,500	**Shareholders**	400
$15 million 1 million shares	**Public float**	$15 million 1 million shares
$5K + $45K	**Fees**	$50K

THE LISTING PROCESS

Traditionally, NYSE American's selective approach to the vetting process was balanced by its friendlier listing requirements, while Nasdaq's more restrictive listing requirements balanced its open approach for submitting an initial application.

NASDAQ

VS

NYSE

NASDAQ		NYSE
Anyone can apply	**Vetting Process**	Must be approved for applying
More Restrictive	**Listing Requirements**	Less Restrictive
Streamlined	**Deal Making**	Streamlined
Friendly	**Pricing**	Friendly

THE LISTING PROCESS, DISRUPTED.

Recent changes in its interpretation and approach to the listing requirements disrupted the traditional balance in Nasdaq's listing process, with deal making becoming increasingly less user friendly.

Additional Nasdaq Considerations:

Anchor Investors

Burn Rate / Evolving Rules

Approach to Leak-outs

Add-Backs No Longer Available

New Concentration and Distribution Rules

	NASDAQ	NYSE
Vetting Process	Anyone can apply	Must be approved for applying
Listing Requirements	More Restrictive	Less Restrictive
Deal Making	Less Streamlined	Streamlined
Pricing	Less Friendly	Friendly

AN INSIDE LOOK AT DEAL MAKING

The Dynamic Nature of the Listing Requirements

New Concentration and Distribution Analysis

What Happened to Gun Jumping? The Pish Posh Transaction – the Deal Heard Around the World

Selling Shareholders Tables and the Return of Rule 415

Nasdaq Approval a Condition for SEC Effectiveness

Alignment of Numerous Constituencies

FOREIGN PRIVATE ISSUERS (FPIS)

The Definition of a Foreign Private Issuer

Corporate Governance Home-Country Exemptions

FPIs SEC Reporting Standards

The Financial Reporting Standards of FPIs

Pricing Mechanism for Cross-Trading Issuers using ADRs & ADSs

Common FPI Related Risk Factors

LUCOSKY BROOKMAN. QUARTERBACKS.

For private, micro and small-cap companies to succeed in Uplisting, Cross-Listing or an IPO, you need to have more than just an attorney, you need an **advocate, a leader, a quarterback – someone to proactively drive your company through the process and across the goal line.**

LEADERS IN THE INDUSTRY

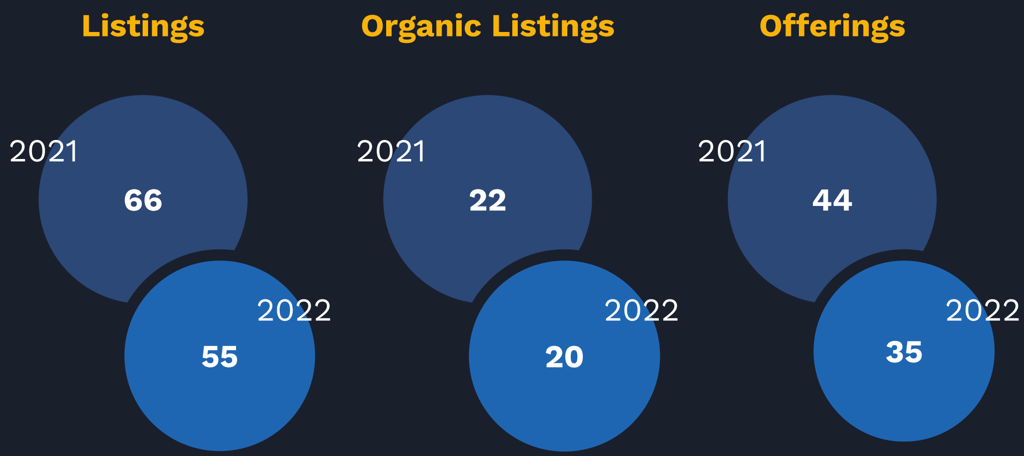
SPECIAL LISTING COUNSEL

IMPROVING OUR INDUSTRY

DATA DRIVEN

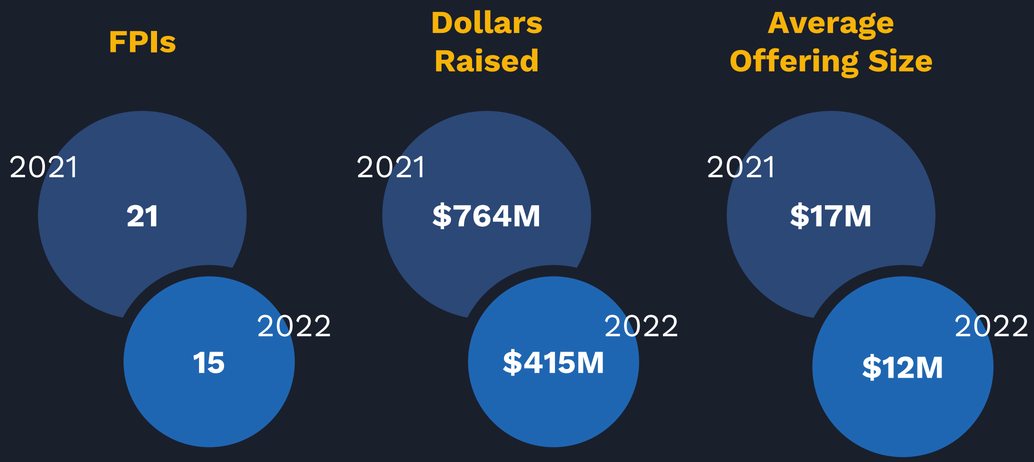
AMBASSADORS OF OUR COMMUNITY

2022 VS 2021
UPLISTS & CROSS-LISTS



Key Takeaways from Lucosky Brookman's 2022 Data

- Number of micro-cap deals remained relatively steady
- Offerings completed by micro-cap issuers were smaller but still substantial
- The broader capital markets accounted for the larger slide in transactions
- 10 Canadian issuers cross-listed in 2022


FPIs
2021
21
2022
15
Dollars Raised
2021
$764M
2022
$415M
Average Offering Size
2021
$17M
2022
$12M

2022 VS 2021
CROSS-LISTS BY FPIS

Key Takeaways from Lucosky Brookman's 2022 Data

- The flow of larger-cap FPIs into the U.S. was disrupted by the turbulent markets of 2022
- Cross-listing FPIs in 2022 were primarily from the Micro-Cap space (79%)
- The broader capital markets accounted for the larger slide in cross-listing
- Main "Exporters" in 2022 – Canada (10), Israel (4) and Australia (2)

FPIs

2021

21

2022

15

Dollars Raised

2021

$764M

2022

$415M

Average Offering Size

2021

$17M

2022

$12M

2022 VS 2021 UPLIST/CROSS - LIST PER MARKET-CAP

Large-Cap

Number of Issuers Listing: **10**	Percentage of the Market: **7.35%**	Dollars Raised: **$689M**	2021
Number of Issuers Listing: **3**	Percentage of the Market: **4.40%**	Dollars Raised: **$40M**	2022

Mid-Cap

Number of Issuers Listing: **18**	Percentage of the Market: **13.2%**	Dollars Raised: **$249M**	2021
Number of Issuers Listing: **1**	Percentage of the Market: **1.50%**	Dollars Raised: **$0M**	2022

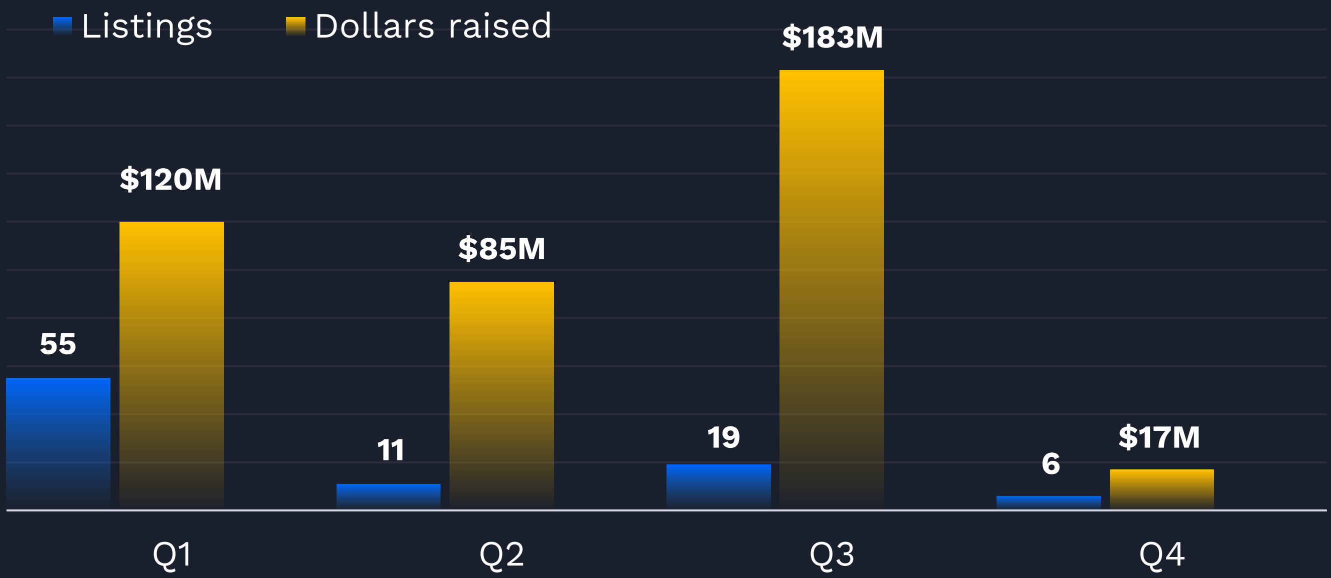
Small-Cap

Number of Issuers Listing: **42**	Percentage of the Market: **31%**	Dollars Raised: **$695M**	2021
Number of Issuers Listing: **9**	Percentage of the Market: **13.2%**	Dollars Raised: **$27M**	2022

Micro-Cap

Number of Issuers Listing: **66**	Percentage of the Market: **48.5%**	Dollars Raised: **$764M**	2021
Number of Issuers Listing: **55**	Percentage of the Market: **81%**	Dollars Raised: **$415M**	2022

2022 UPLISTING AND CROSS-LISTING BY QUARTER



UPLISTS/CROSS-LISTS - 2023 Q1 VS 2022 Q4

Listings

No change

2022 Q4: **6**
2023 Q1: **6**

Organic Listings

-25%

2022 Q4: **4**
2023 Q1: **3**

Offerings

-33%

2022 Q4: **2**
2023 Q1: **3**

Key Takeaways

- Why are uplists harder to complete?
- $17.5 million average offering size?!

FPIs

-25%

2022 Q4: **4**
2023 Q1: **3**

Dollars Raised

+205%

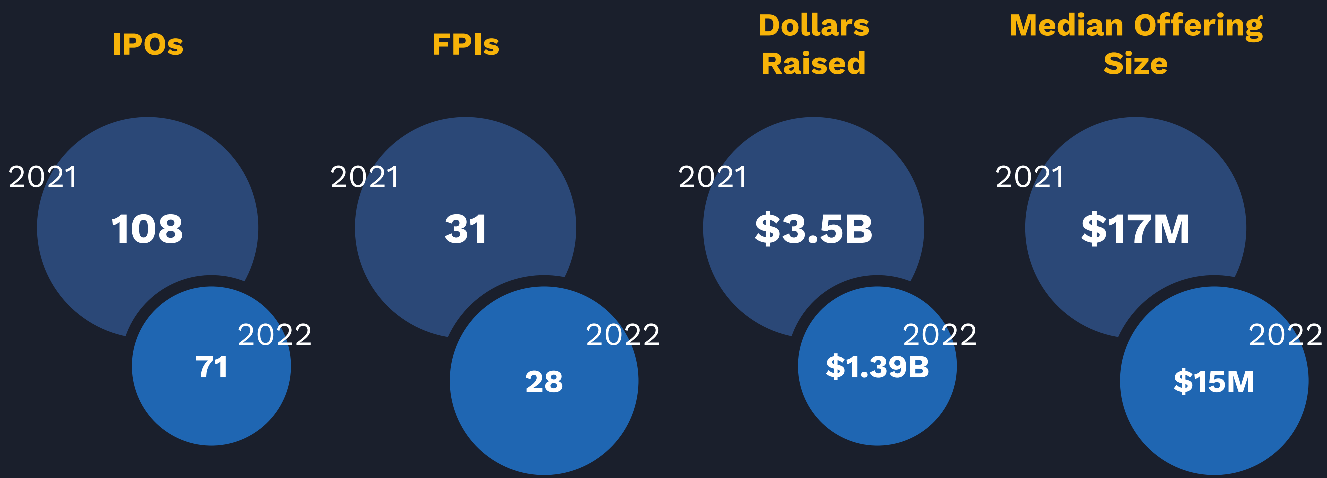
2022 Q4: **$17M**
2023 Q1: **$52.7M**

Average Offering Size

+45.8%

2022 Q4: **$12M**
2023 Q1: **$17.5M**

2022 VS 2021
MICRO-CAP IPOS



Key Takeaways from Lucosky Brookman's 2022 Data

- Deal sizes trending to raising fewer dollars; increased reliance on legacy shareholders
- The Nasdaq Pause
- 4 micro-cap IPOs completed by Canadian issuers

2022 OVERVIEW – MICRO-CAP IPOS BY FPIS

IPOs

2021
31

2022
28

Dollars Raised

2021
$862M

2022
$519M

Median Offering Size

2021
$25M

2022
$15M

Key Takeaways from Lucosky Brookman's 2022 Data

- Deal sizes trending to raising fewer dollars; increased reliance on legacy shareholders
- Main "Exporters" in 2022 – Canada and Israel (4 each)

2022 MICRO-CAP IPOS BY QUARTER

MICRO-CAP IPOS - 2023 Q1 VS 2022 Q4

IPOs

+200%

2022 Q4: **8**
2023 Q1: **24**

FPIs

+1,500%

2022 Q4: **1**
2023 Q1: **16**

Dollars Raised

+260%

2022 Q4: **$162M**
2023 Q1: **$260M**

Median Offering Size

-30%

2022 Q4: **$11.5M**
2023 Q1: **$8M**

Key Takeaways from Lucosky Brookman's 2022 Data

- Micro-Cap IPOs are back in style
- FPIs driving the market
- The Sweet Spot for Deal Size - $5 to $8 million

CROSS-TRADING ON THE OTCQX

About The OTC Markets

About The OTCQX International

The Benefits of Cross-Trading on the OTCQX

The OTCQX Listing Process

The Significant Growth of the OTCQX International

Do Not Settle for Just a Sponsor

THE SIGNIFICANT GROWTH OF OTCQX INTERNATIONAL

The OTCQX has experienced substantial growth in the number of international foreign exchange traded issuers since 2019

2019
133 Issuers

By the end of 2019, 133 international foreign exchange traded issuers were listed on the OTCQX

2020
180 Issuers

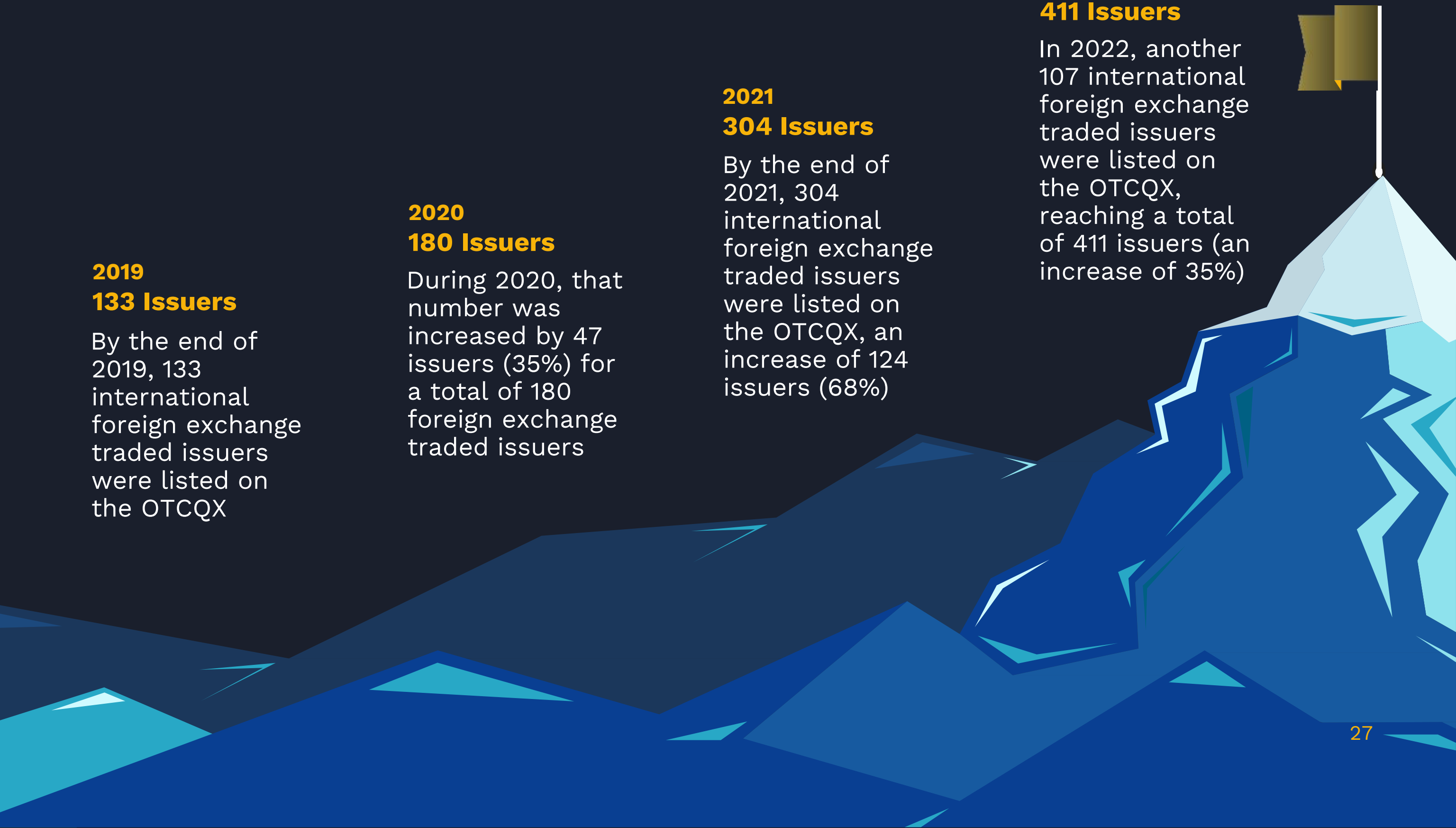
During 2020, that number was increased by 47 issuers (35%) for a total of 180 foreign exchange traded issuers

2021
304 Issuers

By the end of 2021, 304 international foreign exchange traded issuers were listed on the OTCQX, an increase of 124 issuers (68%)

2022
411 Issuers

In 2022, another 107 international foreign exchange traded issuers were listed on the OTCQX, reaching a total of 411 issuers (an increase of 35%)



TOP INVESTMENT BANKERS

AEGIS CAPITAL CORP.	AGP AllianceGlobalPartners	ALEXANDER CAPITAL L.P.	BANCROFT CAPITAL SERVING CLIENTS, COUNTRY & VETERANS	BENCHMARK	Boustead Securities	B. RILEY Financial
BTIG	EF Hutton	FREEDOM HOLDING CORP.	GSS	HCW H.C.WAINWRIGHT&CO.	JHDARBIE & CO.	JOSEPH GUNNAR
MAXIM GROUP	MDB CAPITAL HOLDINGS	NETWORK 1 FINANCIAL SECURITIES, INC.	Needham	NEWBRIDGE SECURITIES CORPORATION	Noble NOBLE CAPITAL MARKETS	NORTHLAND SECURITIES
CHARDAN 20 YEARS	CRAFT CAPITAL MANAGEMENT LLC	DJ DAWSONJAMES SECURITIES	LAIDLAW CAPITAL MARKETS Securities offered through Laidlaw & Company (UK) Ltd.	LADENBURG THALMANN ESTABLISHED 1876	LAKE STREET CAPITAL MARKETS	PACIFIC CENTURY GROUP
RAYMOND JAMES	R.F. Lafferty & Co., Inc. Progressive Thinking. Traditional Values	ROTH Capital Partners	SourceCapital | LLC	SPARTAN CAPITAL SECURITIES, LLC	ThinkEquity	TP TITAN PARTNERS
ViewTrade	WB WallachBeth	WP WESTPARK CAPITAL	Univest Securities 万通证券	KINGSWOOD CAPITAL MANAGEMENT	OPPENHEIMER	PAULSON INVESTMENT COMPANY, LLC

SEE YOU AROUND

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We look forward to connecting with you, chat about all things micro-cap and discuss your company's path towards a successful uplist, cross-list or IPO.

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Please contact us if you would like to discuss your company's uplisting, cross-listing or IPO prospects, if you would like to better understand the uplisting and cross-listing marketplace, or if you would like to receive a complimentary comprehensive 7-8 page listing analysis of your company.

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