



THE MICRO-CAP REPORT 2023

HALF YEAR REVIEW

Lucosky Brookman is the industry leader in micro-cap IPOs and in uplisting domestic or foreign quoted OTC companies and foreign exchange listed companies to the Nasdaq or NYSE.

Each month, Lucosky Brookman publishes The Uplisting Report and The Micro-Cap IPO Report - the most comprehensive resources dedicated to the Uplist, cross-list and micro-cap IPO marketplaces. The reports bring powerful and in-depth market data and analytics to help issuers, management teams, boards of directors, consultants and others involved in the IPO, uplisting and cross-listing processes make better decisions.

Placing a particular emphasis on issuers operating in the micro-cap space (issuers with up to \$300 million market cap), the following is a synopsis of our Uplisting and Micro-IPO Reports for the First Half of 2023 (H1). To view current monthly and archived Reports, please visit: <https://www.lucbro.com/our-firm/uplisting-monthly>, and <https://www.lucbro.com/our-firm/micro-cap-ipo>

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

Lucosky Brookman LLP
www.lucbro.com

MICRO-CAP 2023

H1 SUMMARY

Like the larger capital markets, the micro-cap marketplace continued to be selective in the first half of 2023 (H1). Micro-cap uplisted and cross-listed companies raised approximately \$56.7 million in H1, while companies completing micro-cap IPOs raised approximately \$441 million.

MICRO-CAP IPOs

A total of 39 micro-cap issuers, operating in 15 different sectors completed their IPOs in H1, with offerings ranging from approximately \$4,000,000 to \$43,000,000. Twenty-three (23) micro-cap foreign private issuers (FPIs) from 8 different jurisdictions completed their IPOs in the U.S. during H1.

UPLISTING/CROSS-LISTING

A total of 9 micro-cap companies which operate in 5 different sectors made up the 2023 H1 class of uplisted and cross-listed companies. Five of the newly exchange traded companies were listed *organically*, meaning they did not require a simultaneous underwritten public offering in order to consummate the uplisting or cross-listing to a Senior U.S. Exchange. Four of the uplists and cross-lists included simultaneous underwritten public offerings, ranging from approximately \$3,900,000 to \$44,800,000.

MICRO-CAP IPOs

39

MICRO-CAP IPOs
COMPLETED IN H1

23

MICRO-CAP IPOs
COMPLETED BY
FOREIGN PRIVATE
ISSUERS IN H1

8

ISSUERS FROM EIGHT
JURISDICTIONS
COMPLETED MICRO-
CAP IPOs IN H1

92%

OF ISSUERS
COMPLETING MICRO-
CAP IPOs IN H1
LISTED ON NASDAQ

\$441M

RAISED IN MICRO-
CAP IPOs DURING
H1

\$8.1M

MEDIAN OFFERING
SIZE FOR MICRO-CAP
IPOs IN H1

\$5.32

AVERAGE PUBLIC
OFFERING PRICE PER
SHARE IN H1 MICRO-
CAP IPOs

12

ISSUERS REGISTERED
SELLING
STOCKHOLDERS IN
MICRO-CAP IPOs

UPLISTS & CROSS-LISTS

9

MICRO-CAP ISSUERS
UPLISTING AND
CROSS-LISTING IN
H1

4

FOREIGN PRIVATE
ISSUERS CROSS-
LISTING IN H1

4

UPLISTS AND CROSS-
LISTS ASSISTED BY
INVESTMENT
BANKERS

5

ISSUERS LISTED ON
A SENIOR U.S.
EXCHANGE
ORGANICALLY

\$56.7M

RAISED BY
UPLISTING AND
CROSS-LISTING
MICRO-CAP
ISSUERS IN H1

\$14M

AVERAGE OFFERING
SIZE FOR UPLISTING
AND CROSS-LISTING
MICRO-CAP ISSUERS

\$4.70

AVERAGE PUBLIC
OFFERING PRICE
PER SHARE IN H1
UPLISTS

3

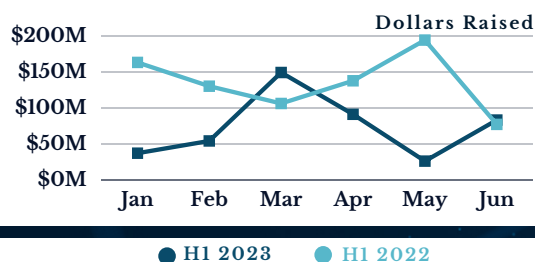
ISSUERS REGISTERED
SELLING
STOCKHOLDERS IN
THE UPLIST

MICRO-CAP IPOs

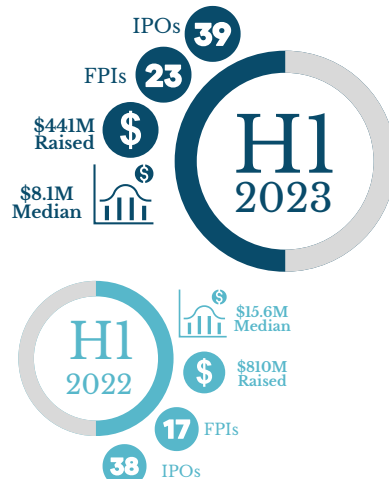
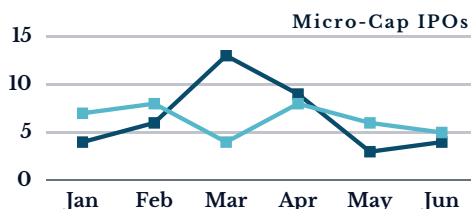
While the number of micro-cap IPOs remained steady in H1, deal sizes and valuations were significantly down. In H1, the median capital raise and the average public offering price were \$8.1 million, and \$5.32, respectively, down 42% and 12% respectively, when compared to the same period in 2022.

In a bid to meet Nasdaq's and NYSE's \$15 million "Public Float" requirement in such a selective market, issuers began registering selling stockholders in their micro-cap IPOs, with 12 such issuers in H1, an increase of 11 issuers (1100%) from the same period in 2022.

Our key takeaway from H1 is that **less is more**. Smaller deal sizes not only appear to be getting over the goal line, but are also helpful in avoiding increased dilution at lower valuations. The strategy of registering legacy shareholders in the IPO compliments this approach to the challenges of today's market.



● H1 2023 ● H1 2022

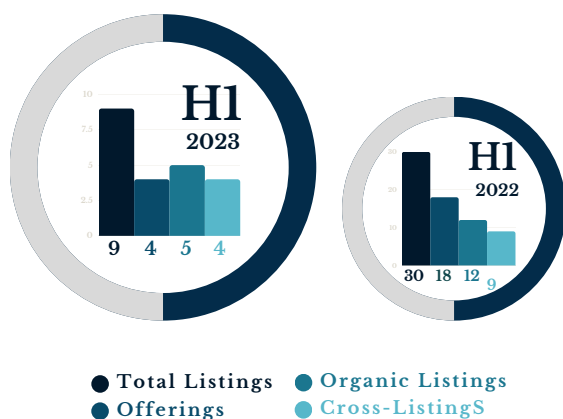


UPLISTS & CROSS-LISTS

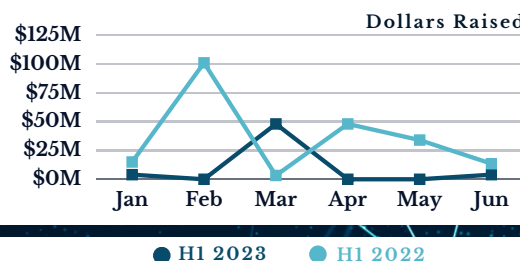
The market for Uplist/Cross-list is at its most selective point in years. During H1, 9 micro-cap uplisting and cross-listing issuers listed on a Senior U.S. Exchange, a decrease of 21 issuers when compared to the same period in 2022. A total of 5 issuers listed organically during H1, a decrease of 7 issuers.

A total of 4 offerings were completed by micro-cap uplisting and cross-listing issuers in H1 (down 71%), raising a combined \$56.7 million. This represented a significant decrease of \$158.3 million from the combined \$215 million raised in a total of 18 offerings during the same period in 2022. The average offering size in H1 was \$14 million, however, 3 of the 4 offerings raised a combined \$12.4 million (\$4.1 million on average), with one offering raising a whopping \$44 million.

Similarly to the micro-cap IPO market, with smaller deals issuers are relying more and more on legacy shareholders to meet the "Public Float" requirement. In addition, certain other Nasdaq rules related to reverse splits and simultaneous listing days are having a drag on the process.



● Total Listings ● Offerings ● Organic Listings ● Cross-Listings



● H1 2023 ● H1 2022

