

COLUMBIA CAPITAL INC.



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1. Introduction of Columbia Capital



1) Overview

- ☐ Incorporated in 2005
- ☐ Head office: Vancouver, Canada
- ☐ List of Services
 - Investment Advice & Project Management: Advising or make own investments into resource, infrastructure, real estate and power plants
 - Raise Capital for PEF & PDF: Advising Korean companies to raise capital for acquiring overseas resource, infrastructure, or enterprises through PEF (Private Equity Fund) and PDF (Private Debt Fund).
 - Public Listing Services: Assisting for corporate listing such as listing requirement cross-check and technology competitiveness evaluation.

1. Introduction of Columbia Capital



2) Track record

Year	Natural Resources & Energy Sector	Investment amount arranged
2008 ~ 2010	KEPCO – Denison Mines (Waterbury Lake Project)	\$100 million
2010~2011	KOGAS - Encana (Various gas projects)	\$2.2 billion
2012	Strathmore Minerals Corp. (KEPCO)	\$13 million
2013	CoPa Fund (KEPCO-NPS)	\$75 million
Year	Listing	Note
2004	Sintec Co., Ltd.	Listed on Nasdaq OTC
2005	Meridian Co., Ltd.	Listed on Nasdaq OTC
	Pennbio Crop.	Listed on OTC
2008	Gravis Energy	CSE
2014	Plate Resources	TSXV
2015	Dowoo Insys	During the listing process on Nasdaq, acquired by Samsung Electronics
	Held presentation to be listed on HKEX	For KOTRA branch in Beijing
	Held presentation to be listed in Canada	For KORES (Korea Resources Corp.)
2017	BiocurePharm	CSE
2018~Current	Power Republic Corp.	Under process to be listed on CSE

2. Listing on foreign stock exchange



1) Purpose

- ☐ Domestic small & medium-sized companies and venture companies have had difficulty in seeking growth opportunities under a current market.
- ☐ Difficulty in raising fund in domestic capital market, especially for the listed company
- ☐ The listed companies on major foreign stock markets such as Canada, US and Hongkong are capable of securing capital as well as having various growth opportunities internationally.

2. Listing on foreign stock exchange



2) Financing in a domestic market

- ☐ Uncertainty on economic forecast in the domestic as well as foreign markets
- ☐ Vulnerable structure of the domestic capital market with inactive investment
- ☐ Lack of transparency on company operation and financial management
- ☐ Relatively vulnerable financing market for domestic small & medium-sized companies and venture companies, compared to conglomerates.
- ☐ Difficult to identify growth opportunities for domestic small & medium-sized companies

2. Listing on foreign stock exchange



3) Issues of domestic stock market

- ☐ Undervaluation of the companies incurred by restrictions and limitations of the domestic exchange regulatory.
- ☐ Difficulty in additional capital increase after IPO.
- ☐ Lack of investors protection system.
- ☐ Lack of transparency and credit rating system
- ☐ Possible investment loss incurred by unlawful acts or morality of the company.
- ☐ Relatively small market capitalization and vulnerable to foreign investors.

→ The company should bear high financing cost

2. Listing on foreign stock exchange



4) Benefits to be listed on foreign stock exchange

- ☐ Access to capital in a global market
- ☐ Securing additional financing after being listed
- ☐ Increase of company valuation with objective appraisal.
- ☐ Improving credit rating and awareness of the company
- ☐ Improving transparency of company operation and financial management
- ☐ Investment return of major shareholders or financial institutions
- ☐ Increase of the parent company valuation when its subsidiary is listed.
- ☐ Securing professional manpower

2. Listing on foreign stock exchange



5) Listing strategies

COLUMBIA CAPITAL

Company analysis
based on global
standards

Analysis of
technology and
competitiveness

Set up network
with related
Professionals

Establishing overall
IR strategies

**Listed on foreign
stock exchange**

Management

- Business innovation
- Securing transparency

Marketing

- Improving credit rating
- Identifying valuable partners / customers

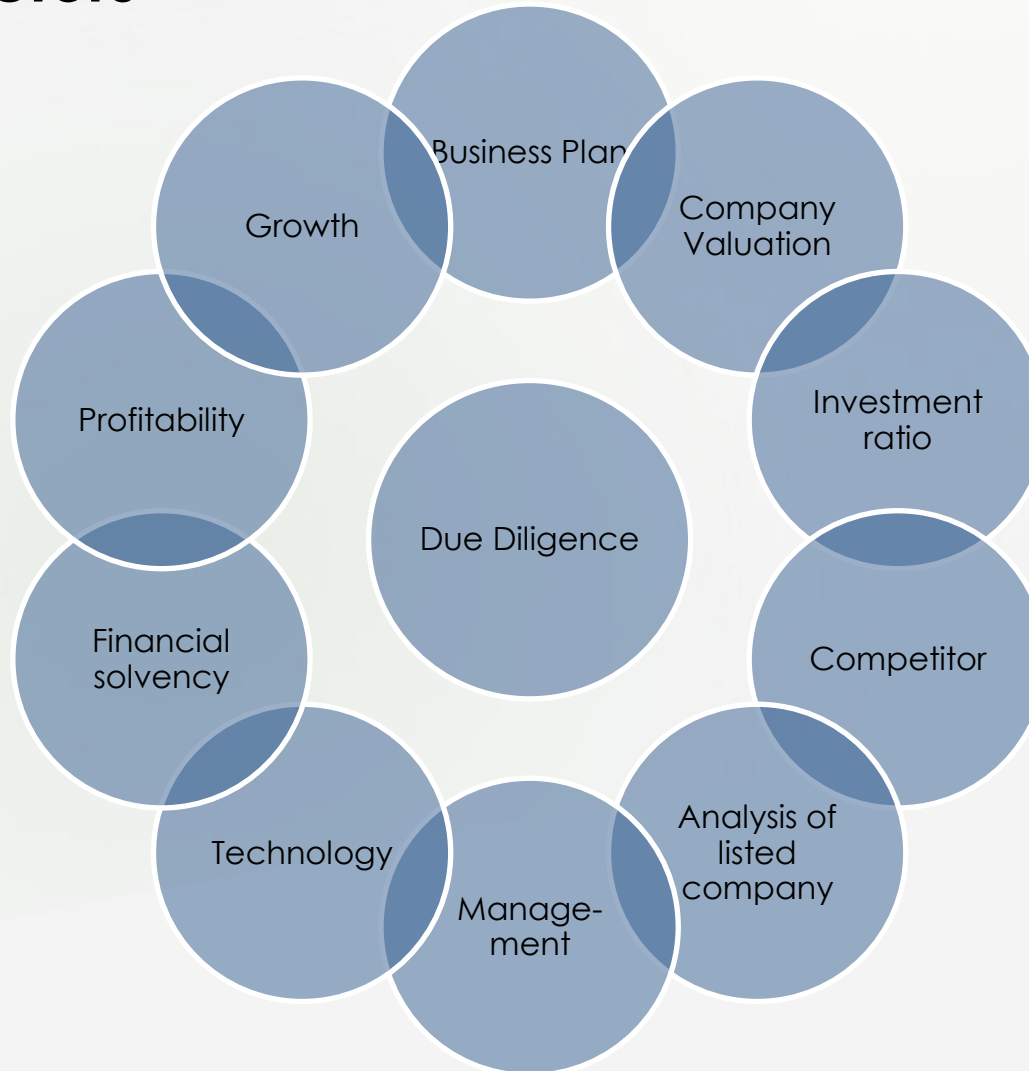
Company valuation

- Increase of valuation with foreign capital

3. Process to identify the company to be listed



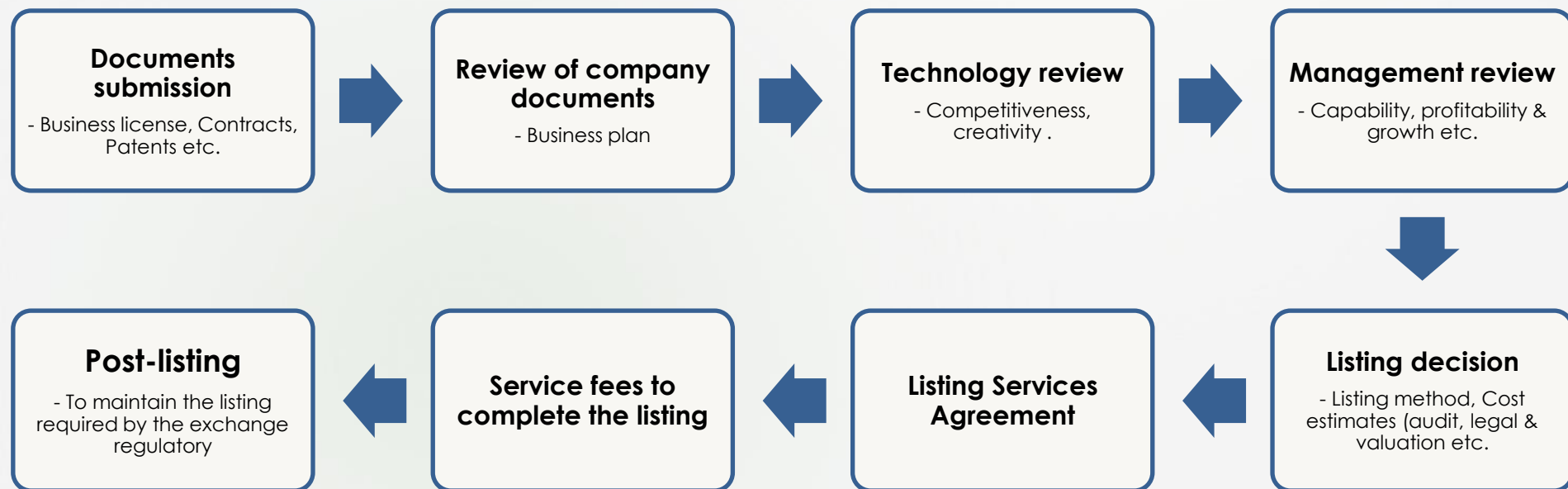
1) List of factors



3. Process to identify the company to be listed



2) Process



4. Scope of Listing Services



Reviewing the potential company with its listing

- Analysis of targeted stock exchange & listing requirement/process
- Business plan / Valuation / Audit
- Due Diligence

Discussion with the potential company

Engaging the professionals including auditor / lawyer etc.

If necessary, appointing underwriter and discussing work scope.

- Selecting reliable underwriter / Discussing financing, number of shares issued etc.

Pre-IPO Restructuring

- Securing shareholders / Restructuring to meet listing requirements

Post-listing IR & Compliance work

- IR : Promotion to potential investors, Timely press release, Monitoring stock trades, financing & Market analysis etc.
- Compliance : After being listed, should implement compliance work such as financial report and press release to maintain the listing required by the exchange regulatory.
- In order to raise further capital, required to maintain the company value with continuous IR and compliance work.

5. HKEX (Hong Kong Exchanges and Clearing)



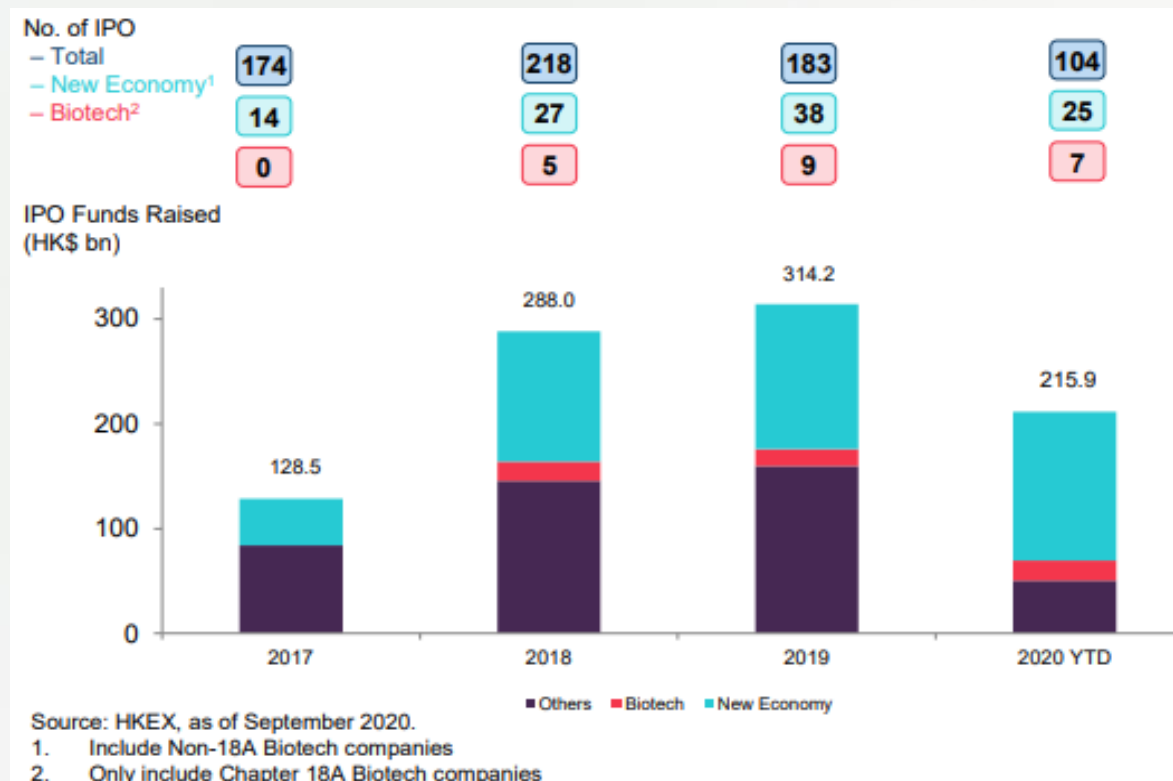
1) Overview

- ☐ After established in 1914, the Far East Exchange, the Kam Ngan Stock Exchange and the Kowloon Stock Exchange were operated in 1971 and the exchange became HKEX with an integration of four exchanges in 1980.
- ☐ Asia's third largest in terms of market capitalization behind the Tokyo Stock Exchange and Shanghai Stock Exchange.
- ☐ As ranked as the world's #1 IPO venue in seven of the last eleven years, This success in attracting global issuers and investors is testament to the opportunities available in Asia's most dynamic and vibrant capital markets.
- ☐ As of January 2021, a total of 2,172 companies is listed with market cap of U\$626 billion.

5. HKEX (Hong Kong Exchanges and Clearing)



- In 2019 a total of 183 companies raised HK\$314 billion – the highest amount raised in a single year since 2010.
- January~ September 2020: IPO Funds raised – HK\$ 215.9 billion
- IPO Funds raised by Segments



5. HKEX (Hong Kong Exchanges and Clearing)



2) Market classification

☐ Main Board

- A market for more established companies that satisfy our financial and track record requirements.
- Companies listed on our Main Board range from conglomerates, banks and property developers to internet companies and healthcare providers

☐ GEM

- A market with lower listing eligibility criteria but similar continuing obligations compared to the Main Board, serving the needs of small and mid-sized issuers.

5. HKEX (Hong Kong Exchanges and Clearing)



3) Listing requirements

Main Board	GEM
SATISFY ONE OF THE BELOW TESTS A. Profit Test (i) Profit attributable to shareholders of the most recent year more than HK\$20m / Profit attributable to shareholders of the two preceding years more than HK\$30m (ii) Market capitalisation at the time of listing more than HK\$500m B. Market Cap / Revenue test (i) Market capitalisation at the time of listing more than HK\$4bn (ii) Revenue of the most recent audited year more than HK\$500m C. Market Cap / Revenue / Cashflow test (i) Market cap more than HK\$2bn (ii) Revenue of the most recent audited year more than HK\$500m (iii) Aggregate positive cash flow from operating activities for 3 preceding financial years more than HK\$100m *Others - 25% free float minimum & Minimum 300 shareholders	(i) Positive 2-year aggregate OCF \geq HK\$30m (ii) Market cap \geq HK\$150m *Others - 25% free float minimum & Minimum 100 shareholders
3 years management & 1 year ownership continuity	2 years management & 1 year ownership continuity
Sponsor required	

6. NASDAQ



1) Overview

- ☐ As an American stock exchange located in New York City, the exchange platform is owned by Nasdaq, Inc., which also owns the Nasdaq Nordic stock market network and several U.S. stock and options exchanges.
- ☐ In 1971, NASDAQ had initially the NASD Automated Quotation System as the world's first electronic stock market.
- ☐ Ranked second on the list of stock exchanges by market capitalization of shares traded, behind the New York Stock Exchange.
- ☐ A diverse selection of over 4,000 companies choose to list on Nasdaq's U.S., Nordic and Baltic exchanges, representing industries such as retail, health care, finance, and technology.

6. NASDAQ



2) Market Classification

- ☐ The Nasdaq Stock Market has three distinctive tiers
 - Nasdaq Global Select Market
 - Nasdaq Global Market
 - Nasdaq Capital Market

- ☐ The initial financial and liquidity requirements for the Nasdaq Global Select Market are more stringent than those for the Nasdaq Global Market and likewise, the initial listing requirements for the Nasdaq Global Market are more stringent than those for the Nasdaq Capital Market.

6. NASDAQ



3) Listing requirements

□ NASDAQ Global Market

Requirements	Income	Equity	Market Value	Total Assets / Total Revenue
Income from continuing operations before tax (in latest fiscal year or two of last three)	\$1 million	-	-	-
Shareholder's equity	\$15 million	\$30 million	-	-
Market value	-	-	\$75 million	-
Total assets & revenue	-	-	-	\$75 million & \$75 million
Unrestricted publicly held shares	1.1 million	1.1 million	1.1 million	1.1 million
Market value of unrestricted publicly held shares	\$8 million	\$18 million	\$20 million	\$20 million
Bid price	\$4	\$4	\$4	\$4
Unrestricted Round Lot Shareholders	400	400	400	400
Market Makers	3	3	4	4
Operating History	-	2 yrs	-	-

6. NASDAQ



□ NASDAQ Capital Market

Requirements	Equity	Market Value	Net Income
Stockholders' Equity	\$ 5 million	\$ 4 million	\$ 4 million
Market Value of Unrestricted Publicly Held Shares	\$15 million	\$15 million	\$ 5 million
Operating History	2 yrs	-	-
Market Value of Listed Securities	N/A	\$5 million	-
Net Income from continuing Operations (in the latest fiscal year or in two of the last three)	-	-	\$750,000
Unrestricted Publicly Held Shares	1 million	1 million	1 million
Unrestricted Round Lot Shareholders	300	300	300
Market Makers	3	3	3
Bid Price or Closing Price	\$4 / \$3	\$4 / \$2	\$4 / \$3

6. NASDAQ



□ NASDAQ Global Select Market

- Financial requirements

Financial Requirements	Earnings	Capitalization with Cash Flow	Capitalization with Revenue	Assets with Equity
Pre-Tax Earnings	Aggregate in prior three fiscal years > \$11 million / Each of the two most recent fiscal years > \$2.2 million / Each of the prior three fiscal years > \$0	-	-	
Cash flows	-	Aggregate in prior three fiscal years > \$27.5 million / Each of the prior three fiscal year	-	-
Market Capitalization	-	Average > \$550 million over prior 12 months	Average > \$850 million over prior 12 months	\$160 million
Revenue	-	Previous fiscal year > \$110 million	Previous fiscal year > \$90 million	-
Total assets	-	-	-	\$80 million
Stockholders' Equity	-	-	-	\$55 million
Bid price	\$4	\$4	\$4	\$4

6. NASDAQ



□ NASDAQ Global Select Market

- Liquidity requirements

Liquidity Requirements	Initial Public Offerings & Spin-Off Companies	Seasoned Companies: Currently Trading Common Stock or Equivalents	Affiliated Companies
Unrestricted Round Lot Shareholders	450	450	450
Total Shareholders	2,200	2,200	N/A
Total Shareholders & Average Monthly Trading Volume over Past Twelve Months	N/A	550 & 1.1 million	550 & 1.1 million
Unrestricted Publicly Held Shares	1,250,000	1,250,000	1,250,000
Market Value of Unrestricted Publicly Held Shares	\$45 million	\$110 million	\$45 million
Market Value of Unrestricted Publicly Held Shares and Stockholders' Equity	N/A	\$100 million & \$110 million	N/A

7. Canadian Stock Exchange



1) Overview

- Canada has a strong and well-regulated capital market with a history of funding growth companies.
- By going public in Canada, companies can achieve robust valuations and raise funds from an array of institutional and retail investors.
- Access to funding opportunities is further broadened by allowing companies to select the best option for them among the main Canadian stock exchanges:
 - **TMX Group: Toronto Stock Exchange (“TSX”) & TSX Venture Exchange (“TSX-V”)**
 - **Canadian Securities Exchange (“CSE”).**

7. Canadian Stock Exchange



a. TMX Group: TSX

- ☐ TSX is the largest stock exchange in Canada. It lists more than 1,500 companies with an aggregate market capitalization in excess of \$2.8 trillion.
- ☐ In addition to traditional companies, exchange-traded funds, split share corporations, income trusts and other investment funds may be listed on the TSX.
- ☐ The TSX classifies applicant issuers into one of three listing categories:
 - (i) industrial (general),
 - (ii) mining, and
 - (iii) oil and gas.

7. Canadian Stock Exchange



a. TMX Group: TSX-V

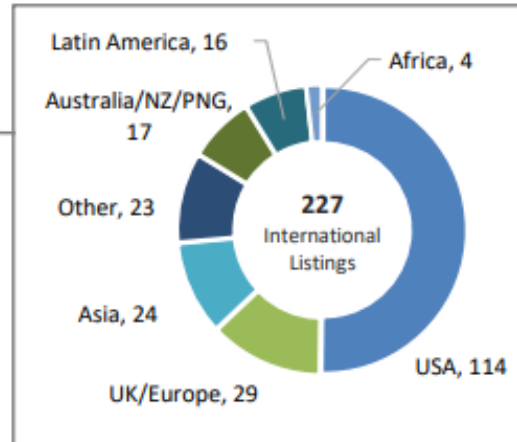
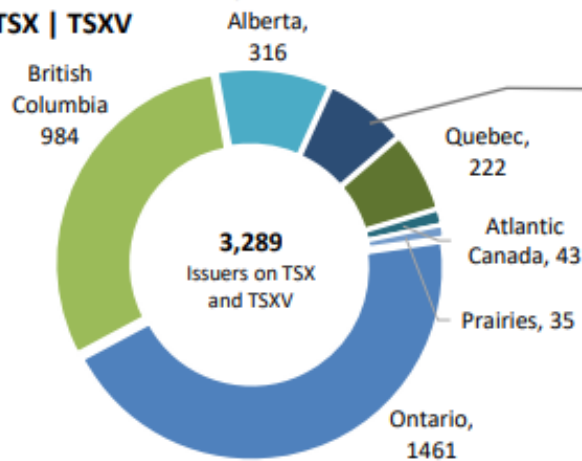
- ☐ TSX-V is a public venture capital marketplace for emerging companies.
- ☐ It provides a fair marketplace where growth companies can raise capital to develop and market their properties, products and services. For investors, this exchange provides opportunities to seek early-stage investments in growth companies.
- ☐ While the TSX-V continues to demonstrate its strength in attracting resource companies, its over 2,000 issuers represent a diverse mix of industry sectors, including industrial, life sciences, technology, clean technology and financial services.
- ☐ The TSX-V classifies applicant issuers into two tiers based on historical financial performance, stage of business development and financial resources: Tier 1 & Tier 2

7. Canadian Stock Exchange



**Listed Companies by HQ Location
As at November 30, 2020**

TSX | TSXV

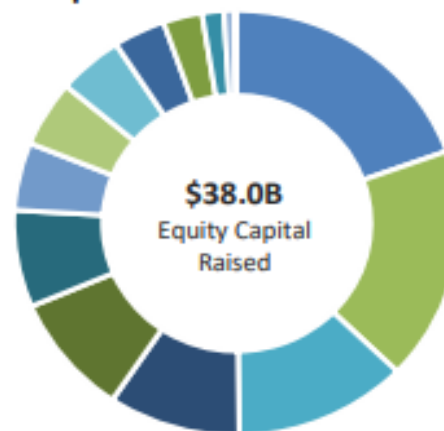


*Includes IPOs, CPC/SPAC IPOs, QTs, QAs, RTOs, Graduates and Other.

Equity Capital Raised by Sector

YTD November 2020

TSX | TSXV



- Technology, \$7.4B
- Mining, \$6.7B
- Industrial Products & Services, \$4.8B
- Financial Services, \$3.6B
- Real Estate, \$3.5B
- Clean Technology & Renewable Energy, \$2.8B
- Life Sciences, \$2.0B
- ETFs, \$1.9B
- Comm. & Media, \$1.8B
- Consumer Products & Services, \$1.4B
- Closed-End Funds, \$1.1B
- Oil & Gas, \$596M
- CPC/SPAC, \$285M
- Utilities & Pipelines, \$67M

7. Canadian Stock Exchange



b. CSE

- ☐ The CSE, formerly known as Canada's New Stock Exchange, was newly founded in 2001 and is an electronic alternative stock exchange for micro-cap and emerging companies in Canada.
- ☐ It offers simplified reporting requirements, a streamlined regulatory model with no transactional reviews, approvals of fees and reduced barriers to listing, including no mandatory sponsorship requirements.
- ☐ Built as a solution for today's challenging market conditions, the CSE structure is designed to allow entrepreneurs to spend less time managing their listing and more time focused on growing the company's value for shareholders.

7. Canadian Stock Exchange



b. CSE

□ Number of listings: 608 / Aggregate market value of CSE issuers: \$23.6 billion

□ Number of financings: Expecting 865 financings in 2020

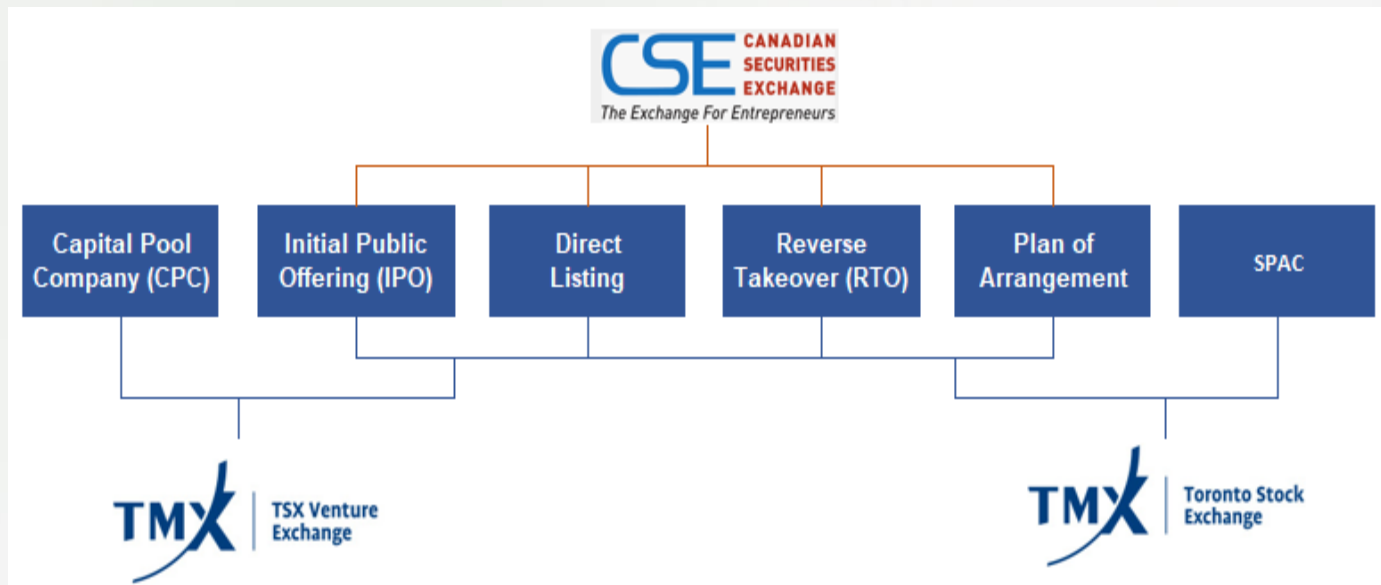
Sector	2018		2019		2020 (year to Q2)	
	# of deals	\$ Raised (000')	# of deals	\$ Raised (000')	# of deals	\$ Raised (000')
Life sciences	349	4,344,048	371	2,592,840	204	1,328,358
Technology	167	227,749	97	100,409	81	69,690
Mining	236	225,958	217	203,761	144	152,375
CleanTech	26	30,335	48	56,451	27	19,898
Diversified industries	108	522,910	89	193,551	59	70,106
Oil & Gas	9	7,785	8	4,308	5	5,342
Real estate	9	26,391	0	0	1	4,420
Total	904	5,445,177	830	3,151,321	521	1,650,189

7. Canadian Stock Exchange



2) Listing Method

- A company can “go public” and proceed to obtain a listing on a Canadian stock exchange through a variety of methods, including **an initial public offering (“IPO”), a reverse take-over (“RTO”), the TSX-V’s capital pool company program (“CPC”), the TSX’s special purpose acquisition corporation program (“SPAC”) and CSE’s non-offering prospectus listing (“NOPL”).**



7. Canadian Stock Exchange



3) Listing Requirements: Comparison between TSX-V Tier2 & CSE

Classification	TSX-V Tier 2	CSE
Working Capital	Adequate working capital and financial resources to carry out stated work program or execute business plan for 12 months following listing; \$100,000 in unallocated funds.	Minimum of \$200,000 in working capital at the time of listing with the financial resources to achieve stated objectives for 12 months following listing.
Net Tangible Assets, Earnings or Revenue	\$750,000 net tangible assets or \$500,000 in revenue or \$2,000,000 arm's length financing. If no revenue, two-year management plan demonstrating reasonable likelihood of revenue within 24 months.	Operating company with revenue from the sale of goods or services; A non-operating company in any industry must have a history of development of the business or asset, and specific objectives and milestones that demonstrates a reasonable likelihood that the company can sustain its operations and achieve its objectives for 12 months following listing.
Public Float	Public float of 500,000 shares; 200 public shareholders each holding a board lot and having no resale restrictions on their shares; 20% of issued and outstanding shares in the hands of public shareholders.	An Issuer of equity securities must have a public float of at least 500,000 freely tradeable shares and consisting of at least 150 public holders holding at least a board lot each of the security. The public float must constitute at least 10% of the total issued and outstanding of that security.
Founder Share Restrictions	At discretion of exchange	25% limit on any security issued or issuable upon conversion of another security to any person for less than \$0.02 per security.
Sponsorship	Sponsor report may be required.	Sponsorship not a requirement.

7. Canadian Stock Exchange



4) Initial & Maintenance fees

Fee type	CSE	TSX	TSX-V
Initial listing fee	\$15,000~\$20,000	\$20,000~\$200,000	\$12,500~\$42,500
Annualized fee	\$9,000~\$18,000	\$12,000~\$125,000	\$5,200~\$90,000
Additional listing fees/supplemental listing	\$1,000	\$2,000~\$50,000	\$2,500
Annual fee for supplemental listing	\$0	\$1,000	\$0
Transaction fees	\$0	\$0	\$500~\$30,000

8. Partners

1) Hongkong



8. Partners

2) USA

Jefferies



Steptoe
STEPTOE & JOHNSON LLP



8. Partners

3) Canada

Brokerage firm



Audit firm



Legal firm



9. Contact Info.



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