

Davidson & Company LLP

Annual TMX Update

Andy Creech, Director



January 2020

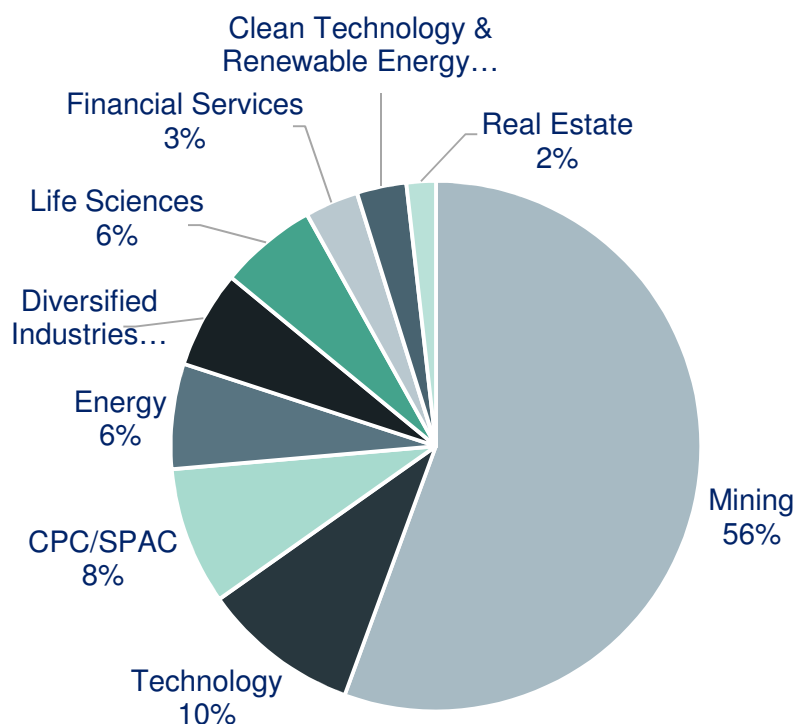
TOPICS OF DISCUSSION

1. TSX/TSXV Market Updates
2. Cryptocurrency & Cannabis Sectors
3. TSX/TSXV Personal Information Forms
4. Accounting
5. Growth Accelerator

TSX VENTURE EXCHANGE

TSXV Issuers by Sector

By Number of Companies
As at December 31, 2019

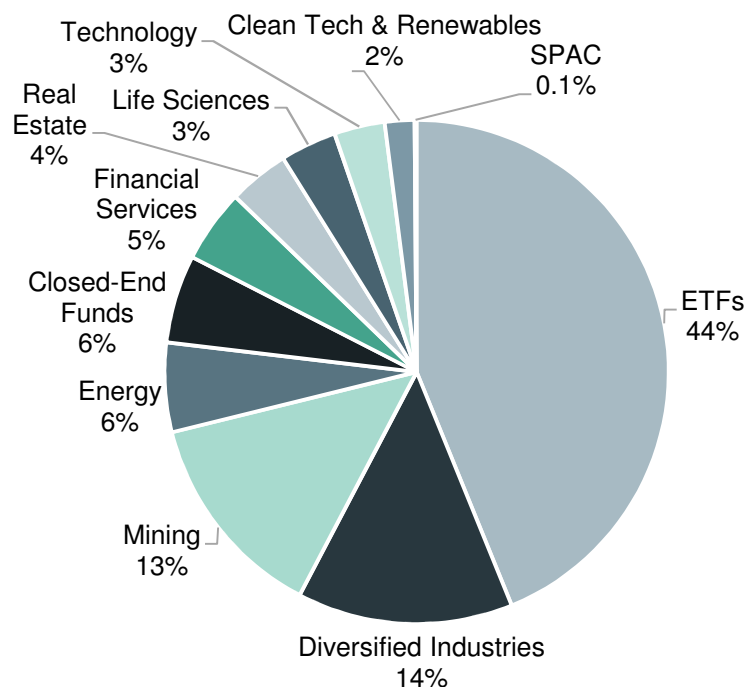


TSXV	Dec. 31, 2019
Listed Issuers	1,673
Total Market Cap	\$45 B
Median Market Cap	\$5.3 M
Average Market Cap	\$26.3 M
Financings	\$3.2 B
Average Financing	\$2.7 M
New Listings	139

TORONTO STOCK EXCHANGE

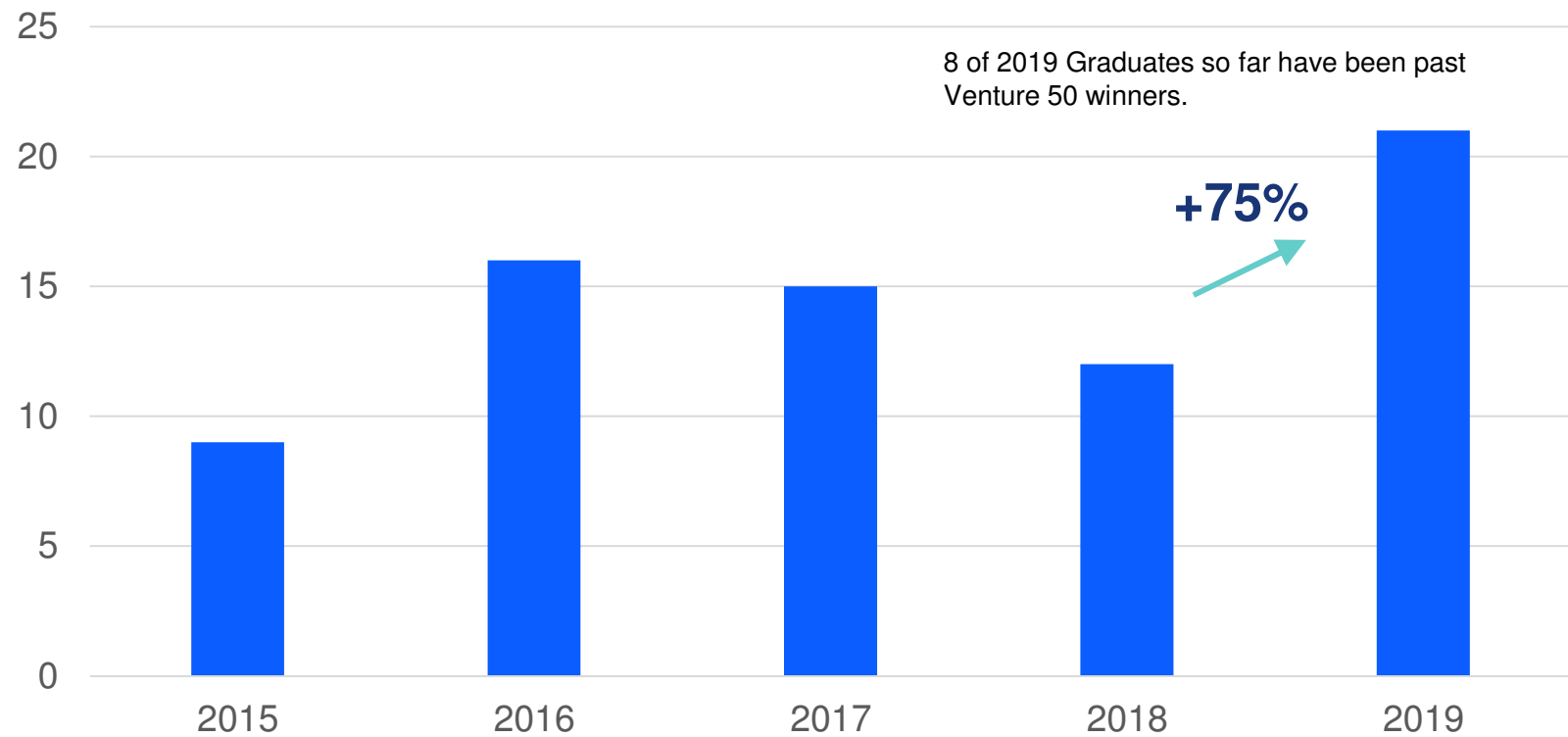
TSX Issuers by Sector

By Number of Companies
As at December 31, 2019



TSX	Dec. 31 2019
Listed Issuers	1,578
Total Market Cap	\$3.1 T
Median Market Cap	\$127 M
Average Market Cap	\$2.0 B
Financings	\$34.8 B
Average Financing	\$68 M
New Listings	134

TSXV GRADUATION ACTIVITY



Source: TSX/TSXV Market Intelligence Group.

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A Unique Public Incubator

Toronto Stock Exchange

674
graduates

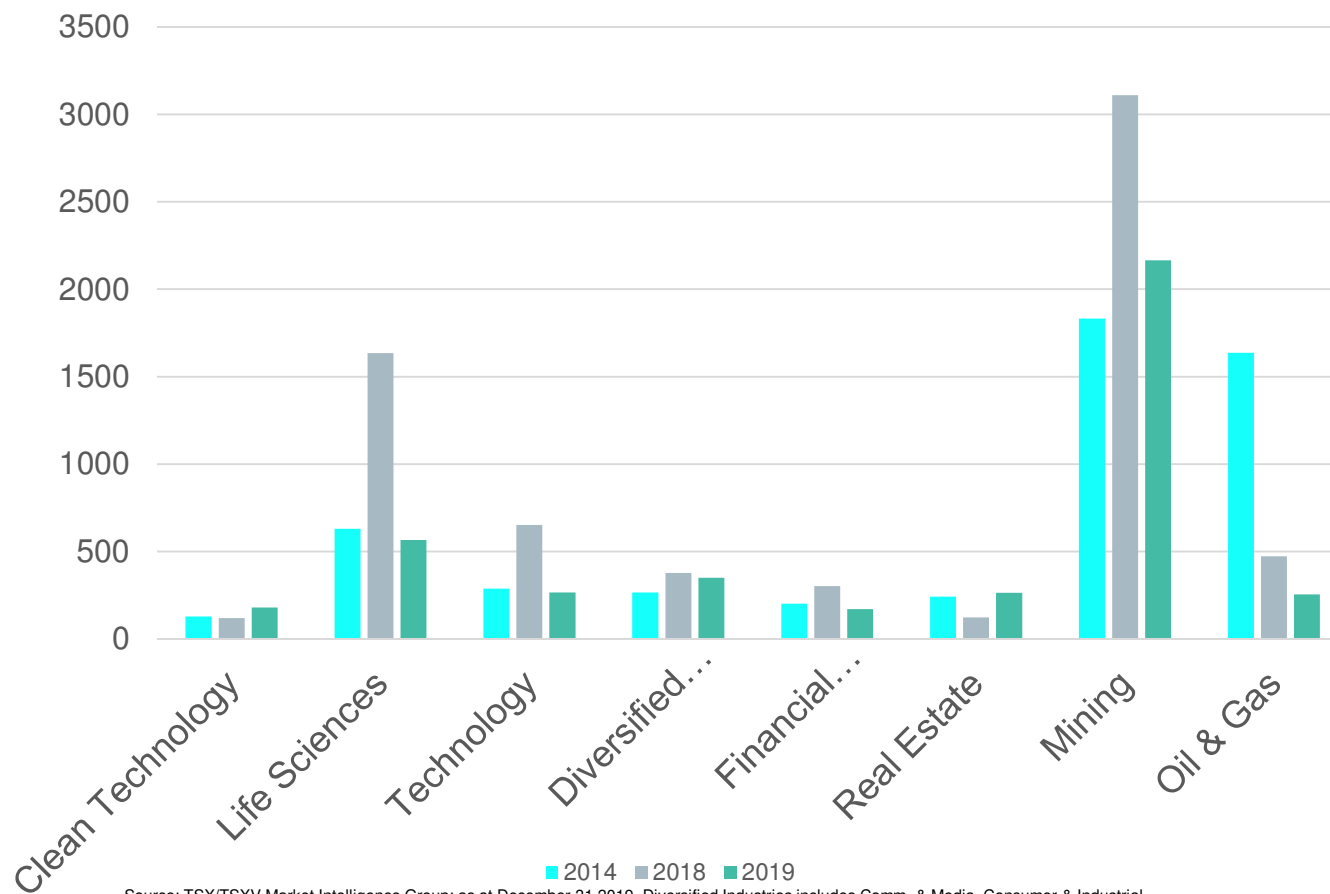
TSX Venture Exchange

\$133B of equity capital raised by
graduates since 2000

\$22B of equity capital raised by
Innovation graduates since
2000

PUBLIC VENTURE CAPITAL

Sector Diversification by Equity Capital Raised

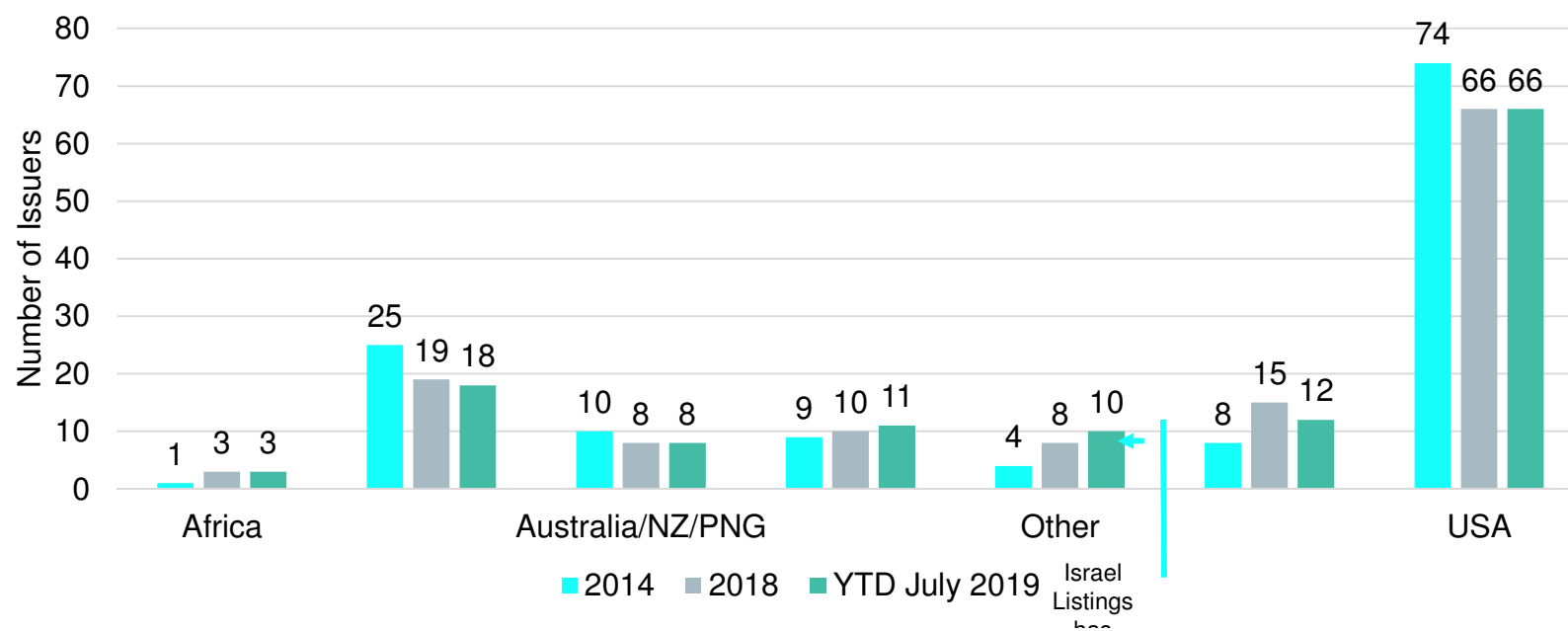


Source: TSX/TSXV Market Intelligence Group; as at December 31 2019. Diversified Industries includes Comm. & Media, Consumer & Industrial Products, CPCs, and Real Estate sector.

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GEOGRAPHIC MAKEUP

International Activity by Number of Issuers

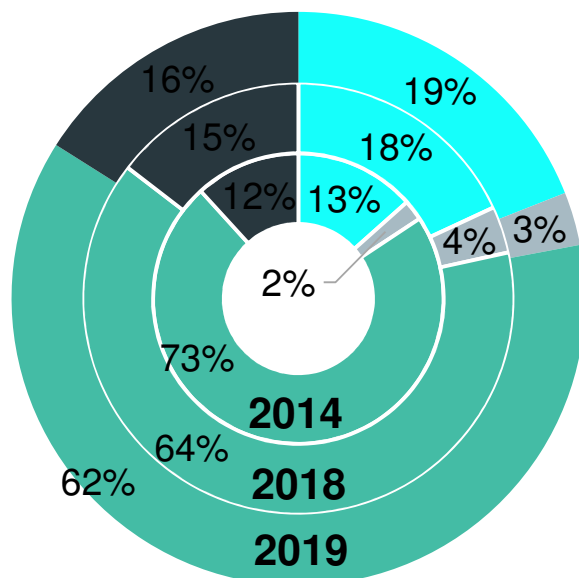


Source: TSX/TSXV Market Intelligence Group; as at July 31, 2019. International Issuers excludes Canada. Other includes Issuers in Bermuda, Cayman Islands, Channel Islands, Guernsey and Israel.

EVOLUTION OF TSX VENTURE: 2014 – 2019

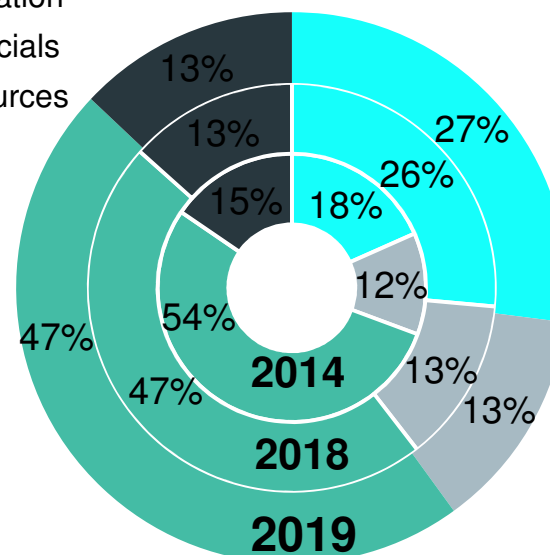
Sector Breakdown Number of Issuers

- Innovation
- Financials
- Resources
- Other



Sector Contribution by Market Capitalization

- Innovation
- Financials
- Resources
- Other



Source: TSX/TSXV Market Intelligence Group; as at December 31, 2019. Innovation Sector includes Clean Technology, Life Sciences, and Technology. Resources Sector includes Mining and Oil & Gas. Other includes CPCs, Diversified Industries (Comm. & Media, Consumer & Industrial Products, Real Estate) and Utilities & Pipelines Sector.

CRYPTOCURRENCY SECTOR

- Have seen a decrease in the sector overall
- One graduation (Hut 8) of first crypto miner on TSX via Sandbox listing

CANNABIS SECTOR

- Consolidation in the market;
- International expansion;
- Hemp based growth

PERSONAL INFORMATION FORMS

- Fully automated with online filing:
 - <https://www.tmx.com/pif>
- “Smart” PIF in which certain responses lead to or skip other questions, notify the filer if information is missing or incorrect etc.
- Benefits of online PIFs / 2C1s:
 - Eliminates the notarization requirement
 - Permits electronic signatures
 - Permits electronic filing online
- **October 10, 2019:** the Exchange provided notice that it would accept a Form 2C1 Declaration if an individual has submitted a PIF to the Exchange within the last **60 months**.

ACCOUNTING UPDATE

IFRS 16:

- Leases: Issuers record an asset and liability related to an operating lease on its balance sheet.
- Current Liability vs Long Term Asset
- Creates negative impact on working capital for Initial Listing Requirements

GROWTH ACCELERATOR

- ALL NEWLY-LISTED COMPANIES ARE INVITED TO PARTICIPATE IN OUR COMPLIMENTARY GROWTH ACCELERATOR PROGRAM

- 1 Company executives select the sessions of interest
- 2 We arrange a time/place for each one-on-one session
- 3 Each session is designed to take approximately 60 minutes



SESSION TOPICS

Governance

Principles of Good Governance
Building an Effective Board

Trading

Trading Basics
Understanding your Trading
Role of your Market Maker

Disclosure

TMX Disclosure Requirements
IIROC's Role Regarding
Disclosure

Follow-on Transactions

Post Listing Transactions
Declaring Dividends
Initiating a Normal Course Issuer
Bid

Investor Relations

Top Ten Best Practices in IR
Tracking, Targeting & Surveillance
Board Reports
Conducting a Successful AGM



Governance

PRINCIPLES OF GOOD GOVERNANCE

Over time, it has been shown that good governance practices result in better performance. TMX will provide some key concepts to consider, including a review of governance best practices. A short overview of the board's role, board committees, and our policies on board composition will also be discussed.

RECOMMENDED FOR:

- Companies still building their board
- Companies wanting to conduct themselves like best-in-class organizations
- CEOs, Directors, governance professionals

BUILDING AN EFFECTIVE BOARD

An effective board can make a difference between success and failure. With increased focus on company board make-up, it is essential to take a measured approach to composition and best practices. TMX will provide some key concepts to consider, including the importance of diversity, building a board competency matrix, and the role of an effective Chair.

RECOMMENDED FOR:

- Companies anticipating changes to their board
- Companies still building their board or wanting to conduct themselves like best-in-class organizations
- CEOs, nominating committee members, governance professionals



Trading

TRADING BASICS

True to its title, we take you through the basics of how a trade happens and where that trade might take place. Concepts like dark pools, market depth, spreads and boardlots are explained and key analytics tools are reviewed.

RECOMMENDED FOR:

- Anyone new to Canada's capital markets

UNDERSTANDING YOUR TRADING

Primarily using our proprietary TSX InfoSuite platform, we show you how to leverage its capabilities and data to help you understand your trading and performance. This session also includes understanding anonymous trading and short interest.

RECOMMENDED FOR:

- Anyone concerned with their trading
- Anyone unfamiliar with TSX InfoSuite
- Investor relations, CEOs, CFOs

ROLE OF YOUR MARKET MAKER

TMX is often asked about the role and responsibilities of the market maker. We will take a closer look at what they can and cannot do to help facilitate a better market, and how the performance of market makers can be tracked.

RECOMMENDED FOR:

- Newly listed companies
- Recent graduates to Toronto Stock Exchange



Disclosure

TMX DISCLOSURE REQUIREMENTS

Depending on your listing, various disclosure policies come into play. Focusing on Exchange policies, we'll take you through our disclosure expectations, including financial disclosures, website best practices, press releases, and disclosing material developments.

RECOMMENDED FOR:

- Newly listed companies
- Recent graduates to Toronto Stock Exchange
- Communications or investor relations staff

IIROC'S ROLE REGARDING DISCLOSURE

IIROC plays an important role in timely disclosure policies that can have an effect on trading. In this session we draw a distinction between the role of our internal Compliance and Disclosure staff and the role of IIROC in the marketplace. We will also review the role that IIROC plays in halting stocks and how IIROC can "police" stock trading.

RECOMMENDED FOR:

- Newly listed companies
- Companies active in deals or M&A action
- Investor relations staff, corporate development personnel or chief financial officers



Follow-on transactions

POST LISTING TRANSACTIONS

Our Listings Managers will take you through the relevant policies for transactions following your listing, such as secondary financings, private placements, and other issuances.

RECOMMENDED FOR:

- Companies anticipating another financing or issuance
- CFOs, CEOs, finance or treasury staff

DECLARING DIVIDENDS

The what, where, who and how of declaring dividends. TMX will provide the specific exchange requirements and the timing to consider.

RECOMMENDED FOR:

- Companies thinking of declaring dividends or making changes to their dividend policies
- CFOs, finance or treasury staff

INITIATING A NORMAL COURSE ISSUER BID

Our Listings Managers will talk through the relevant policies and requirements for initiating a buyback program.

RECOMMENDED FOR:

- Companies feeling their securities are undervalued
- CFOs, finance or treasury staff



Investor relations

TOP TEN BEST PRACTICES IN IR

Investor relations can be highly competitive. With over 10,000 public companies in North America, companies need to compete against one another for investor attention. In this session we will provide theoretical and practical guidance, drawing from our experience working with a variety of IR professionals.

RECOMMENDED FOR:

- Companies just starting an investor relations program
- Anyone new to investor relations or communications personnel

TRACKING, TARGETING & SURVEILLANCE

A robust investor relations program usually includes tracking and targeting of investors, and sometimes investor surveillance. We walk through these concepts and share perspectives on how to effectively target investors and monitor buying/selling activity.

RECOMMENDED FOR:

- Companies starting an investor relations program or looking to enhance their existing program
- Investor relations staff or CFOs

BOARD REPORTS

Mature companies provide regular investor relations reporting to their boards. TMX will provide ideas on what a comprehensive report should include (including performance, perception and investor analytics) as well as sources for the information.

RECOMMENDED FOR:

- Newly listed companies
- Growth companies with a board removed from operations
- Anyone new to investor relations

CONDUCTING A SUCCESSFUL AGM

Running your first Annual General Meeting is not an easy undertaking. Our TSX Trust experts will walk through the planning considerations that can lead to a successful shareholder meeting.

RECOMMENDED FOR:

- Newly listed companies
- Companies with a new corporate secretary
- Corporate secretaries, investor relations staff or CEOs

SUPPORTING YOUR GROWTH

- WE SUPPORT COMPANIES AT ALL STAGES OF THEIR GROWTH WITH A BROAD SUITE OF SERVICES THAT LEVERAGE OUR BUSINESSES AND PARTNERSHIPS

GOING PUBLIC



- Transfer Agency
- Corporate Trust Services
- Newswire
- A Designated TMX Contact

STARTING OUT



- Listing Ceremony
- **Growth Accelerator Series**
- **CEO Video**
- Market Insights

TOOLS FOR SUCCESS



- IR Web Content Tools
- Workshops and Continuing Education
- Board Communication Platform
- Share Plan Administration
- Advanced IR Solutions
- Market Data Platform
- Shareholder Information
- Webcasting

STANDING OUT



- Index Inclusion
- Investor Days
- Venture 50 Awards
- Milestone Celebrations

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**LISTINGS
STATISTICS**

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[@TSX_TSXV](https://tsx.com/mig)

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IS YOURS TO SEE.

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