

# Market Update

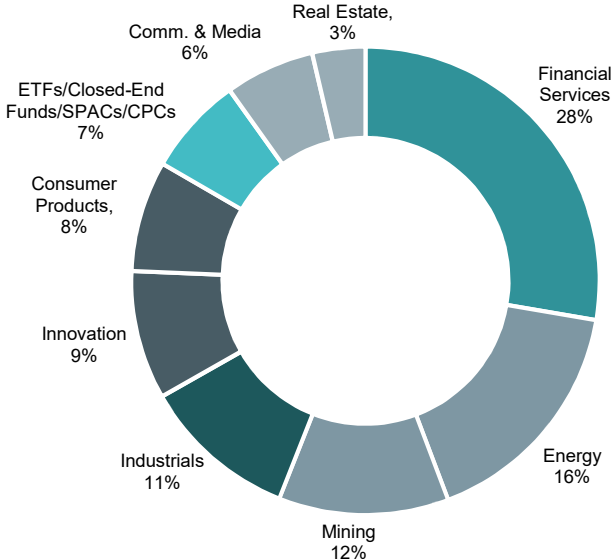
Prepared for Davidson & Company



January 2021

# A TRULY DIVERSE MARKET

\$3 TRILLION OF MARKET CAPITALIZATION ACROSS DIVERSE SECTORS



**\$3T**

TOTAL MARKET CAPITALIZATION

# GLOBAL CAPITAL AND LIQUIDITY

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THE WORLD'S LARGEST ASSET MANAGERS INVEST AND TRADE ON TSX

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40%

OF DAILY TRADING ORIGINATES  
FROM OUTSIDE CANADA

25%

OF TSX AND TSXV MEMBER FIRMS ARE  
HEADQUARTERED OUTSIDE CANADA

# ACCESS TO CAPITAL

## TOP EXCHANGE FOR MINING CAPITAL GLOBALLY

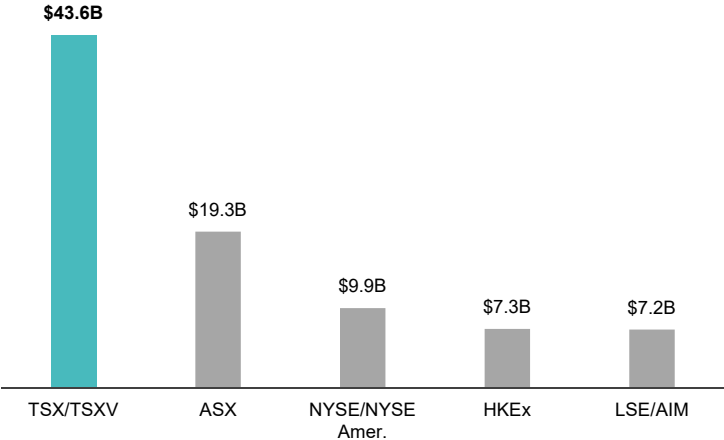
**53%**

OF THE NUMBER OF MINING EQUITY FINANCINGS GLOBALLY IN THE PAST 5 YEARS

**37%**

OF THE MINING EQUITY CAPITAL RAISED GLOBALLY IN THE PAST 5 YEARS

GLOBAL MINING EQUITY CAPITAL RAISED  
2015-2019  
(C\$B)



# INVESTOR DEMAND IN INNOVATION

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CANADA HAS A VIBRANT CAPITAL MARKETS ECOSYSTEM IN THE INNOVATION SECTOR

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#1

SECTOR FOR IPOs AND NEW LISTINGS  
ON TSX/TSXV IN 2015-2019

#1

SECTOR FOR NON-CANADIAN IPOs AND NEW LISTINGS  
ON TSX/TSXV IN 2015-2019

204

IPOs AND NEW LISTINGS  
ON TSX/TSXV IN 2015-2019

*40 NEW INNOVATION LISTINGS IN 2019*

\$45B

IN EQUITY CAPITAL RAISED  
ON TSX/TSXV IN 2015-2019

*\$8 BILLION RAISED BY THE INNOVATION SECTOR IN 2019*

# INVESTOR RETURNS IN INNOVATION

THE MAIN CANADIAN INNOVATION INDICES HAVE OUTPERFORMED KEY MARKET BENCHMARKS OVER THE LAST DECADE

	Annualized Total Returns (%)				
	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
<b>Benchmarks</b>					
S&P/TSX Composite Index (TR)	-7.5	-2.2	3.9	4.5	6.4
S&P 500 (TR)	-3.1	7.5	10.7	10.7	14.0
NASDAQ -100 (TR)	16.9	33.8	22.9	19.6	20.7
NADSAQ Composite (TR)	12.1	25.6	17.9	15.1	16.9
Dow Jones Industrial Average	-9.6	-2.9	6.5	7.9	10.2
<b>Innovation Sector</b>					
S&P/TSX Capped Information Technology Index (TR)	37.8	53.8	38.9	28.2	20.3
S&P/TSX Renewable Energy & Clean Technology Index (TR)	14.5	25.7	8.2	12.4	9.6

# TSX & TSXV 2020

THE · TOPONTO · STOCK · EXCHANGE

PUBLIC MARKETS STAYED OPEN AND PROVIDED  
CRITICAL LIQUIDITY TO INVESTORS

#1 46% 36

RECORD YEAR FOR  
TSX IPOS

INCREASE IN YOY  
CAPITAL RAISED ON  
TSXV IN 2020 YTD

GRADUATIONS FROM  
TSX TO TSXV IN 2019  
TO OCT 2020

Source: TSX/TSXV Market Intelligence Group, S&P Capital IQ and S&P Global Market Intelligence; as at December 31, 2019.

# Section 2

Building the Canadian Markets







# VENTURE 50 2020

## 2020 Program Stats

[tsx.com/venture50](http://tsx.com/venture50)

## OVER 1 MILLION VIEWS

TOTAL VIEWS

1,646,665

AVG TIME SPENT ON EACH ARTICLE

2 min 37 sec

WEBSITE TRAFFIC ON LANDING PAGE

10,770

AVERAGE VIEWS PER VIDEO

41,166

## Engagement by sector / Engagement by platform

BEST PERFORMING SECTOR

Mining

MOST ENGAGED AUDIENCE

Financial Services



“From a happy shareholder, congrats Jeff & team on making the list! Keep up the great work.”

ARIEL COBANGBANG  
DIRECTOR, BUSINESS DEVELOPMENT & INVESTOR RELATIONS | ICES OPT TECHNOLOGIES

## V50 Conference

17

Venture  
companies  
in attendance



## Earned Media



## BNN Bloomberg Homepage Takeover

BNN BLOOMBERG  
HOMEPAGE TAKEOVER

1 MILLION +  
IMPRESSIONS



BNN BLOOMBERG  
TV COMMERCIAL

1.3 MILLION +  
VIEWS

# DEAL PORTAL

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UNIQUE DEAL FLOW ACCESS FOR CPC FOUNDERS

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- GLOBAL AND CANADIAN DEAL FLOW FROM TSX/V BUSINESS DEVELOPMENT TEAM
- ASSESS TRANSACTION QUALITY BY CONTRASTING AND MEETING OTHER COMPANIES

**80**

PRIVATE COMPANIES  
ADDED IN 2020

**1,886**

COMPANIES VIEWED BY  
CPC FOUNDERS IN 2020



## 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 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

### IROC'S ROLE REGARDING DISCLOSURE

IROC 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 IROC in the marketplace. We will also review the role that IROC plays in halting stocks and how IROC 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.

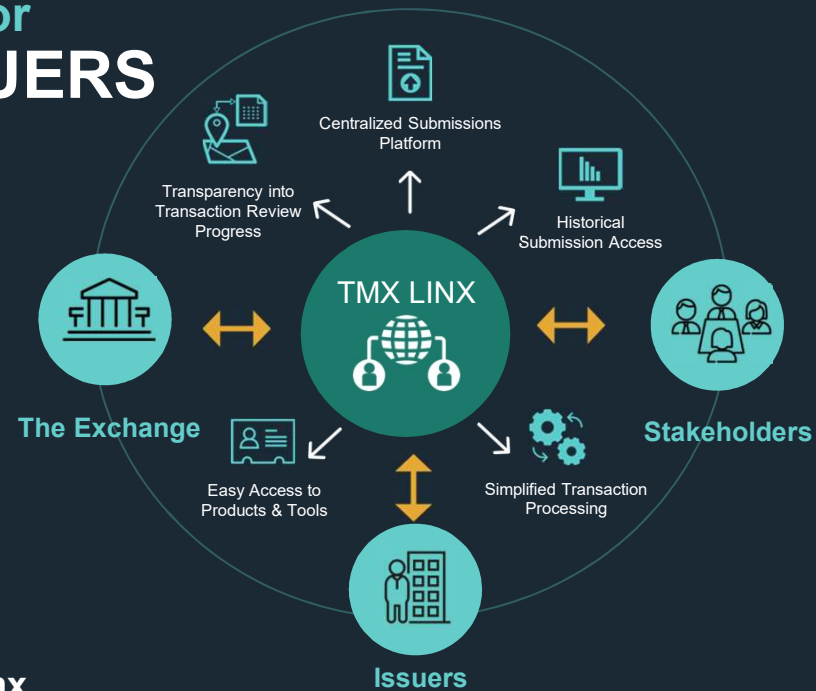
**RECOMMENDED FOR:**

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

# New Exchange Portal for TSX & TSXV ISSUERS

**TMX LINX** is a centralized portal for issuers and other stakeholders to interact with the Exchange. It is a single point of access for TSX and TSX Venture-listed issuers and their advisors to file submissions while having full transparency into the progress of their transactions.

The web-based platform enables all transaction participants to manage the submission, send and receive documents, communicate with the Exchange, and manage payments, all through a user-friendly and highly secure system.



**TMX linx** Learn More at [www.tmx.com/linx](http://www.tmx.com/linx)





# Section 3

The New CPC Policy



# INCREASED FLEXIBILITY

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## REMOVING OBSTACLES & EASING REQUIREMENTS

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Eliminate 24-month time limit –  
no cancellation of seed shares

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Relaxed residency requirements for directors  
and officers - now more open to International  
Founders and companies

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CPC can be structured as a  
Corporation or a Trust

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# REDUCED REGULATORY BURDEN

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## A SIMPLER PATH TO LISTING

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Relaxed requirements on shareholder distribution for CPC IPO (150 shareholders)

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Simplified spending parameters on CPC

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No escrow on Pro Group subscriptions at the IPO price

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Shareholder approval (if required) can be satisfied via written consent

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# IMPROVED ECONOMICS

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## FOR CPC FOUNDERS

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Accelerated escrow release post-QT

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Increased maximums for both discounted seed subscriptions (to \$1M) and total proceeds raised (to \$10M)

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Founder stock options can be priced at a discount to IPO price

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Allow for QT success fee to be paid to CPC Founders

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Longer time limit for Agent's compensation options (to 5 years)

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**HEAD, TSX COMPANY SERVICES  
CAPITAL FORMATION**

**Arne Gulstene**

TSX and TSX Venture Exchange  
T +1 604-585-0991  
E Arne.Gulstene@tmx.com

**DIRECTOR, CAPITAL  
FORMATION**

**Andrew Creech**

TSX Venture Exchange  
T +1 604 602-6936  
E andrew.creech@tmx.com

**SECTOR AND REGIONAL LEADERS**

Global Technology & Innovation	Dani Lipkin (dani.lipkin@tmx.com)
Global Energy	David Chelich (david.chelich@tmx.com)
Global Mining	Dean McPherson (dean.mcpherson@tmx.com)
ETFs & Structured Products	Graham Mackenzie (graham.mackenzie@tmx.com) Keith Wu (keith.wu@tmx.com)
Quebec/Eastern Canada (Montreal)	Bruno Desmarais (bruno.desmarais@tmx.com)
British Columbia (Vancouver)	Julia Yan (julia.yan@tmx.com)
California (Los Angeles)	Delilah Panio (delilah.panio@tmx.com)
Midwest US (Chicago)	George Khalife (george.khalife@tmx.com)
Israel (Tel Aviv)	Yossi Boker (yossi.boker@tmx.com)
EMEA (London)	Graham Dallas (graham.dallas@tmx.com)
South America (Lima)	Guillaume Légaré (guillaume.legare@tmx.com)



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