

# Access Public Venture Capital

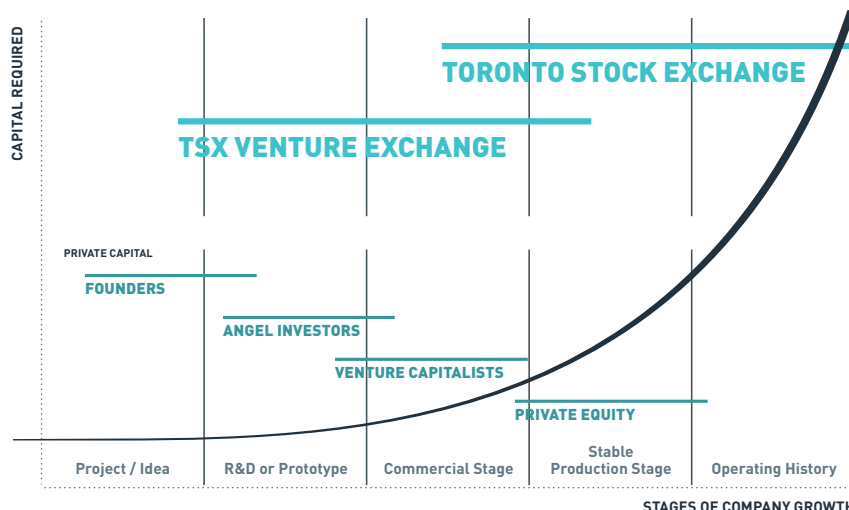
## GO PUBLIC AT AN EARLIER STAGE THAN THE U.S. MARKETS

Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV) are uniquely tailored to growth companies providing the opportunity to go public earlier than on major U.S. exchanges.

### Benefits of the Canadian Markets

- Access to growth capital and future financing opportunities
- Leverage share currency for acquisitions
- Increase visibility and prestige
- Provide liquidity for shareholders
- Create employee incentive mechanisms

### Financing Growth Companies



### Long-term Growth Strategy

A listing on TSX could be a strategic stepping stone to the U.S. markets. Once a TSX issuer is large and relevant enough, it can look to interlist on a major U.S. stock exchange. If your end goal is to tap into the U.S. markets, TSXV and TSX are a viable path to get there.

<h1>772</h1> <p>Graduates from TSXV to TSX since 2000</p>	<h1>207</h1> <p>Companies dual listed on TSX (172 with NASDAQ/NYSE)</p>	<h1>60</h1> <p>Companies dual listed on TSXV (20 with NASDAQ/NYSE)</p>
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### Gateway to North American Institutional Capital

### TSX & TSXV Financings

2024	TOTAL	AVERAGE
TSX	\$16B	\$39M
TSXV	\$4.7B	\$3.4M



For more information  
[usa@tmx.com](mailto:usa@tmx.com) | [us.tsx.com](http://us.tsx.com)

## REASON

### Does your company have a reason to be public and take advantage of the benefits of being a public company?

#### Reasons to go public as an early stage growth company:

- Access to permanent capital with the ability to go back to the market for subsequent ideally non-dilutive rounds
- Facilitate growth by using public shares as acquisition currency versus direct cash offerings
- Diversify shareholder base and flatten cap table
- Provide a path to liquidity for early investors and employees
- Create an incentive mechanism for employees
- Use an alternative to private VC to maintain greater control
- Increase visibility and prestige by being listed on a recognized stock exchange

#### Reasons for a U.S. company to go public in Canada:

- An alternative path to a U.S. exchange, taking advantage of the streamlined dual-listing path through MJDS
- Potential to delay SEC registration and reduce the cost of U.S. compliance
- Access to pools of capital in Canada, the U.S. and globally
- Investors interest for my size and sector. This is where my peers are listed
- D+0 insurance that is significantly less expensive than for U.S. public companies
- Efficient access to the Canadian short form and base shelf prospectus system
- Create an incentive mechanism for employees

## READY

### Are you and the company ready to go and be public? Do you have the required team and infrastructure in place?

- Management team has industry and public company experience
- CFO has public company experience
- Going public team:
- Canadian securities lawyer with cross-border transaction experience
  - U.S. securities lawyer
  - Auditing firm with IFRS capabilities
  - Lead Canadian investment banker
  - CPC (if applicable)
  - Canadian investor relations expertise
- Understanding of the potential legal and tax considerations for a U.S. company to go public in Canada, particularly if interested in avoiding SEC registration

- Intention and mindset to grow company to eventually list on a U.S. exchange
- Understanding of time commitment of CEO and CFO to the going public process, particularly for ongoing investor relations
- Audited financial statements (IFRS compatible): Two years for TSXV; three years for TSX
- Internal controls and infrastructure for corporate governance compliance and reporting
- Prepared for the transparency of being a public company

## REQUIREMENTS

### Does your company meet the listing requirements of the Exchange (TSXV or TSX)? See the full listing requirements by sector in the Guide to Listing at [us.tsx.com](https://www.us.tsx.com).

#### For TSXV:

- Company stage: if pre-revenue, have 12-24 months of working capital (can come from the capital raise)
- Audited financials: 2 years (IFRS compatible)
- Company history: adequate experience relevant to the business
- Public distribution: 200 public shareholders

#### For TSX:

- Company stage: \$7.5M in net tangible assets OR minimum \$10M in treasury OR two years of R&D expenditure capital
- Audited financials: 3 years (IFRS compatible)
- Company history: adequate experience relevant to the business as well as history of operations
- Public distribution: 300 public shareholders

## REALITY

### Is there investor interest for my type and size of company in current market conditions? Is going public in Canada realistic for my company?

- Investor interest: Can Canadian investment bankers get investor support for your type and size of company in current market conditions?
- Structure: Is there a viable structure that allows you to avoid SEC registration? Does it make sense to become a Foreign Private Issuer?
- Tax: What are the potential tax consequences and are they undesirable?
- Valuation: Can we get a reasonable and attractive valuation in current market conditions compared to private markets or U.S. public markets?
- Growth strategy: Does going public in Canada fit with your long term growth strategy including, if applicable, to eventually list on a U.S. exchange?