

BORDEN LADNER GERVAIS
TSX & TSX-V
ACC HOUSTON CHAPTER

A Capital Opportunity: Considerations for Going Public in Canada



A Capital Opportunity

Toronto Stock Exchange & TSX Venture Exchange



Market Overview
Q1 2021

2020 AT A GLANCE

RECORD YEAR FOR TSX IPO'S

300 new listings

\$42.8B

Equity capital raised
(YTD as at Dec, 2020)

TSX (171) and TSXV (129)

133 companies

+

127 ETFs

+

31 Capital Pool Companies

+

8 Closed-End Funds

+

1 SPAC

2020 AT A GLANCE

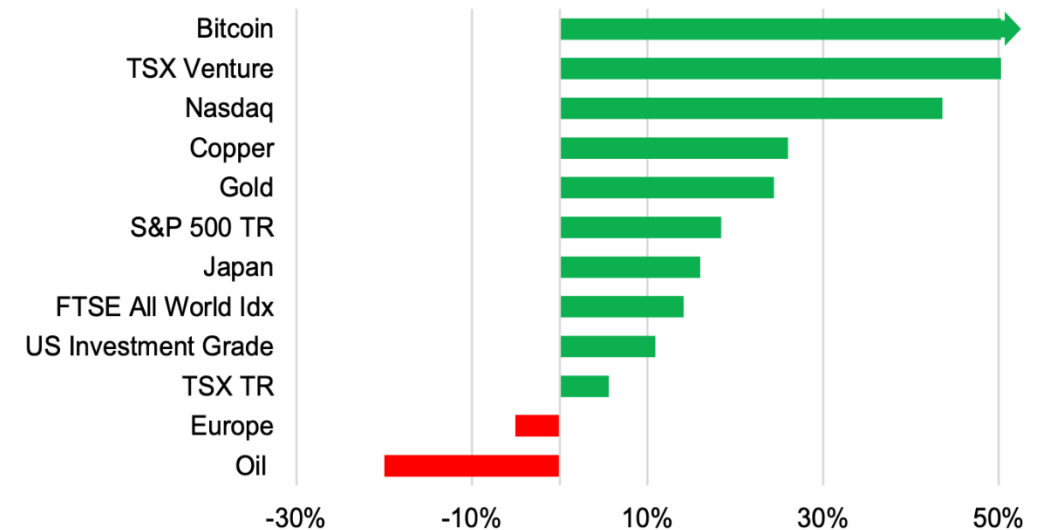
RECORD YEAR-END MARKET CAP OF TSX & TSXV = \$3.5 TRILLION

Key Takeaways – Innovation Sector (2020):

- **Largest tech IPO in TSX history**; \$1B raised by Nuvei, followed by TELUS International
- **Record year for Tech financings**; \$8 billion in total
- **10 new Life Sciences listings**; \$2.12B+ raised across 140 financings
- **CleanTech companies**; capital raised increased by 125% & trading volume by 53% (YoY)

52%

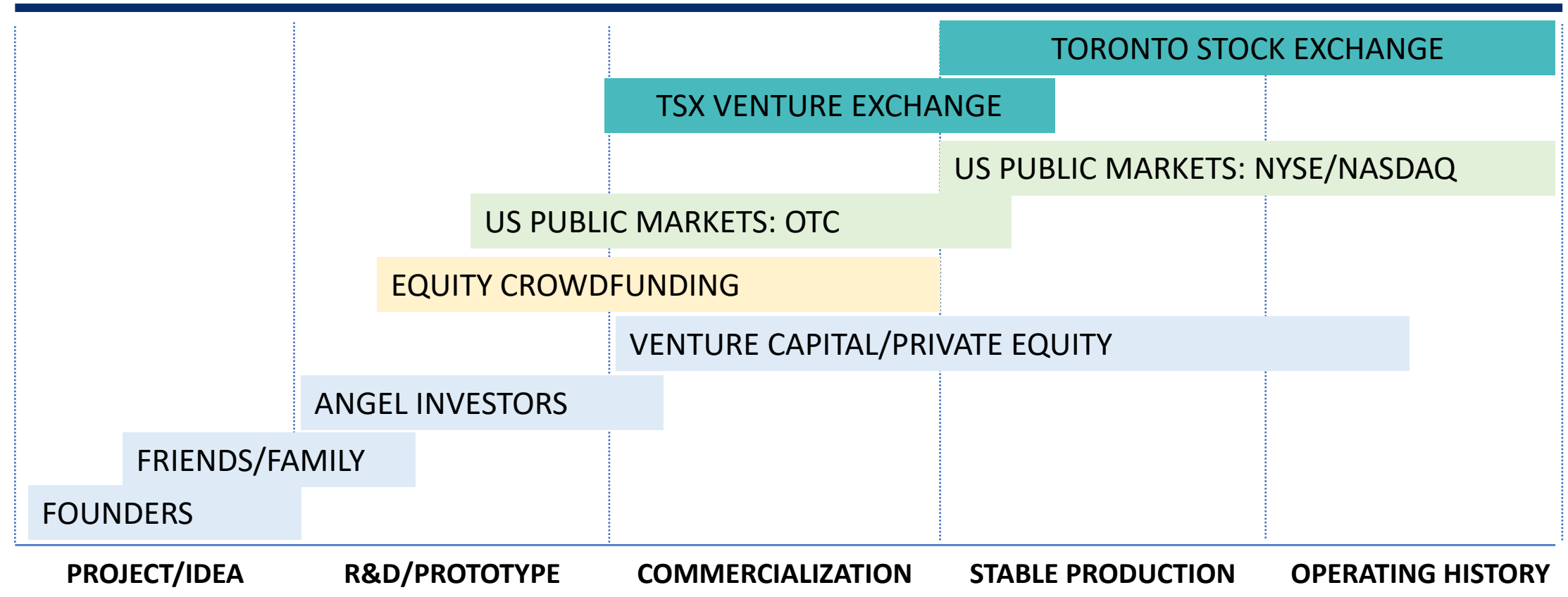
Performance of S&P/TSX
Venture Composite Index



Going Public Considerations

LOOKING FOR GROWTH CAPITAL?

NORTH AMERICAN EQUITY CAPITAL LANDSCAPE



1. REASON

THE 4 Rs TO CONSIDER TO GO PUBLIC

Does your company have a reason to be public?

- Access to capital
- Acquisition currency
- Diversify shareholder base
- Stock incentives for employees
- Credibility/exposure

2. READY

THE 4 Rs TO CONSIDER TO GO PUBLIC

Are you and your company ready to go and be public?

- Management team
- Board of directors
- Audited financials
- Internal controls
- CEO time on investor relations
- Transparency

3. REQUIREMENTS

THE 4 Rs TO CONSIDER TO GO PUBLIC

Does your company meet exchange listing requirements?

- Working Capital
- Revenue / Earnings
- Net Tangible Assets



See Guide to Listing:
www.tsx.com/ebooks/en/2021-guide-to-listing/

4. REALITY

THE 4 Rs TO CONSIDER TO GO PUBLIC

Can investment bankers get investor support (retail and institutional) for your type and size of company in current market conditions?



Why TSX & TSXV

1. A SOURCE OF GROWTH CAPITAL

WHY TSX & TSXV

\$43B

EQUITY RAISED ON TSX & TSXV IN 2020

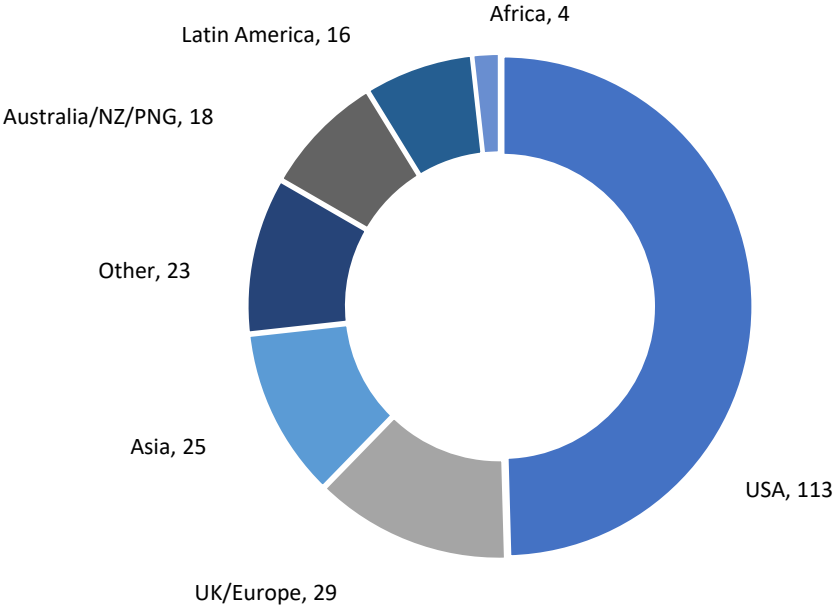
40%

OF DAILY TRADING ORIGINATES
FROM OUTSIDE CANADA

CAPITAL FOR U.S. COMPANIES

220+ INTERNATIONAL LISTINGS ON TSX + TSXV

COUNTRY BREAKDOWN



40

IPOs AND NEW LISTINGS
OF US COMPANIES IN 2015-2020

\$10.3B

IN EQUITY CAPITAL RAISED
BY US COMPANIES IN 2015-2020

2. TAILORED TO SMALL CAP COMPANIES

OUR EQUITY MARKETS FINANCE COMPANIES ACROSS THEIR LIFECYCLE

TORONTO STOCK EXCHANGE

ELIGIBILITY FOR GLOBAL AND
S&P/TSX INDEX PRODUCTS

\$68M

AVERAGE FINANCING
SIZE

\$2.1B

AVERAGE MARKET
VALUE

TSX VENTURE EXCHANGE

CUSTOMIZED REGULATORY REGIME FOR SMALL
AND MEDIUM-SIZED COMPANIES

\$3.5M

\$47M

Structures For Going Public

Initial Public Offering (IPO)

Reverse Takeover (RTO)

Qualifying Transaction/Acquisition (QT/QA)

CPC/SPAC

Direct Listing

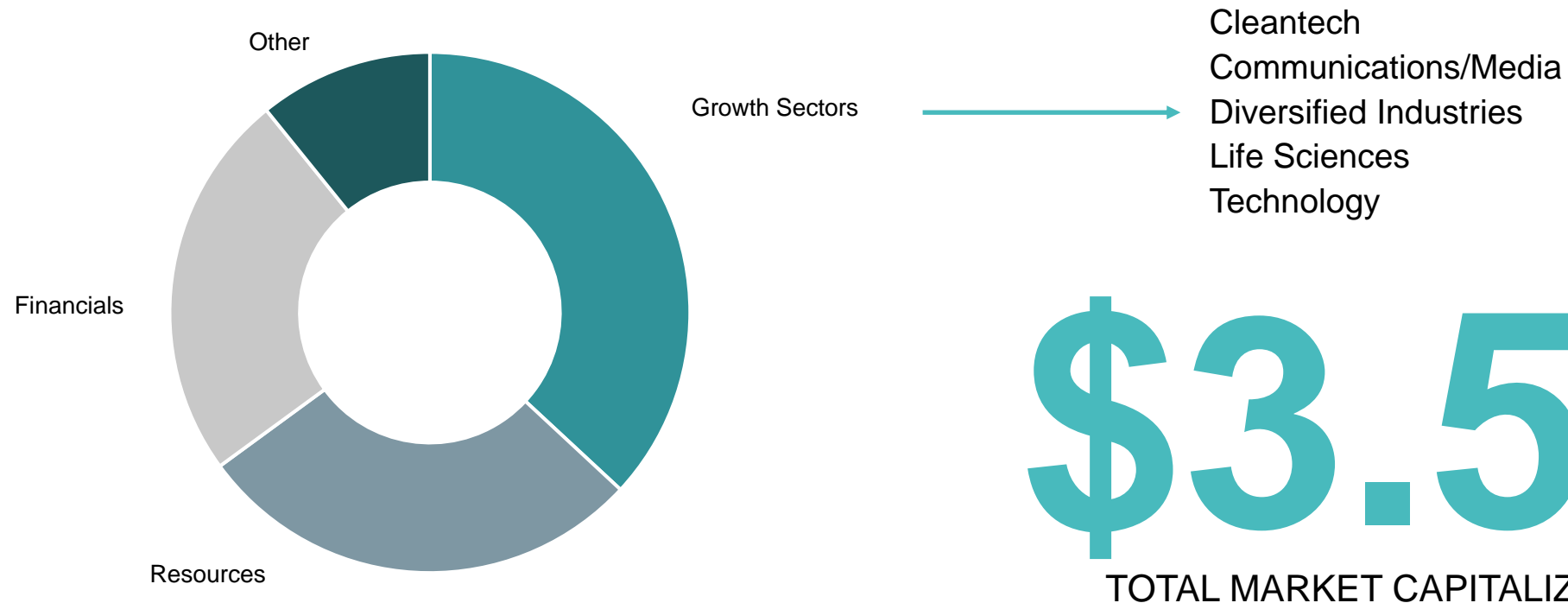
TSX

TSXV

3. NO LONGER JUST A RESOURCE EXCHANGE

WHY TSX & TSXV

SECTOR DIVERSIFICATION (BY MARKET CAPITALIZATION)



INNOVATION IS STRONG IN ALL SUB-SECTORS

WHY TSX & TSXV

#1

SECTOR FOR IPOs AND NEW LISTINGS
(NUMBER OF IPOs AND NEW LISTINGS
ON TSX/TSXV IN 2015-2020)

\$59B

IN EQUITY CAPITAL RAISED
(CAPITAL RAISED ON TSX/TSXV IN 2015-
2020)

#1

SECTOR FOR NON-CANADIAN IPOs
AND NEW LISTINGS
(NUMBER OF IPOs AND NEW LISTINGS
ON TSX/TSXV IN 2015-2020)

\$331B

QMV OF TECH LISTINGS
(UP FROM \$78B IN 2015)

241

IPOs AND NEW LISTINGS
(NUMBER OF IPOs AND NEW LISTINGS ON
TSX/TSXV IN 2015-2020)

281%

S&P/TSX TECH INDEX UP
OVER LAST FIVE YEARS

4. PLATFORM FOR LONG-TERM GROWTH

WHY TSX & TSXV

699

COMPANIES THAT LISTED
ON TSXV HAVE
GRADUATED TO TSX

87

TSXV GRADUATES HAVE
**MARKET VALUES OVER
\$500M**

29%

OF TSX **TECHNOLOGY**
COMPANIES GRADUATED
FROM TSXV

STEPPING STONE TO U.S. MARKETS

WHY TSX & TSXV

219

COMPANIES ARE DUAL
LISTED ON **TSX** &
ANOTHER EXCHANGE

42

COMPANIES ARE DUAL
LISTED ON **TSXV** &
ANOTHER EXCHANGE
(EXCLUDING OTC)

BENEFITS OF DUAL LISTING:

- Enhanced demand and profile
- Increased equity research analyst coverage
- Greater share liquidity
- Access to TSX listed company customer base
- Awareness and credibility to access Canadian customers
- Advantages for Canadian employees

U.S. 2021 LISTINGS

U.S. COMPANIES IN DIVERSE SECTORS ARE COMING TO TSX/V

TSX	HempFusion Wellness Inc.	CBD	Life Sciences (CBD)
TSX	Subversive Acquisition LP	SVX	SPAC (target is Israeli cannabis)
TSXV	Skylight Health Group Inc.	SHG	Life Sciences (medical care services)
TSXV	ProStar Holdings Inc.	MAPS	Technology (mapping software)
TSXV	PsyBio Therapeutics Corp.	PSYB	Life Sciences (psychedelics)

EXAMPLE U.S. LISTINGS

HOW EARLY STAGE U.S. COMPANIES ARE USING PUBLIC VENTURE CAPITAL



mCloud Technologies
San Francisco, CA
TSXV:MCLD
Listed October 2017 (RTO)
Raised CDN\$47M in 9 Rounds
8 Acquisitions



Boardwalktech Software
Cupertino, CA
TSXV:BWLK
Listed June 2018 (RTO)
Raised CDN\$15M in 6 Rounds
1 Acquisition



Quisitive Technology
Irving, TX
TSXV:QUIS
Listed August 2018 (QT)
Raised CDN\$36M in 4 Rounds
4 Acquisitions

Contact us to learn more about listing on TSX or TSXV.

DELILAH PANIO

VICE PRESIDENT, US CAPITAL FORMATION

E delilah.panio@tmx.com



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TSXV**

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GOING PUBLIC IN CANADA

Presented By
Louise Lee

May 2021



Presenter



Louise Lee

Partner, BLG Calgary

Louise advises clients on private and public financings, including venture capital and private equity and mergers, acquisitions and other business combinations of public and private issuers, including take-over bids, amalgamations and plans of arrangements and other corporate reorganizations. She also assists clients to ensure compliance with corporate and securities regulatory requirements.

Louise is a co-leader of BLG's Driven by Women Initiative in Calgary and is also a member of BLG's Private Equity Steering Committee.

Expertise

- Mergers & Acquisitions
- Corporate Finance
- Private Equity & Venture Capital
- Energy – Oil & Gas
- Commercial Transactions
- Shareholder Activism
- Capital Markets
- Private Equity
- Emerging Companies & Funds

BLG is Canada's Law Firm

BLG

BLG Firm Facts

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across Canada

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PRACTICE
areas

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1823

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GLOBAL
reach

27 INDUSTRY
specializations

End-to-end focus on
INNOVATION

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LAWYERS
and patent agents

Recognized for
CLIENT SERVICE
and delivering
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solutions

55%
CORPORATE

45%
LITIGATION

100%
SERVICE

Uniquely positioned to deliver on
SPECIALIZED and **COMPLEX** deals and matters

Securities, Capital Markets and Public Companies

Initial Public Offerings

- Canadian stock exchanges offer access to significant capital pools and investors, both domestic and international. Canadian capital markets offer smaller and mid-sized companies greater visibility than the many international stock exchanges, and are particularly attractive for resource-based issuers (including many whose assets are located outside of Canada).
- Our skilled team advises clients who are looking to raise capital by going public and assists in meeting the reporting and governance requirements for public companies in Canada.
- We advise on all aspects of the going public process. We also act for public companies with domestic and international operations and for agents and underwriters throughout the capital-raising process.

Capital Markets

- It's key to have a trusted legal team who can help navigate the intricacies of initial public offerings, secondary offerings, private placements, cross-border offerings and new issuances of equity or debt – whether that's shares, trust units, preferred shares, convertible debt or high-yield debt.
- Our team has the experience to create and develop sophisticated financial instruments, financing techniques and structures that will help you address your most pressing financing issues.
- Our team helps organizations successfully navigate even the most complex corporate finance transactions, while collaborating with colleagues in related areas.

Going Public Mechanisms

Initial Public
Offering

Reverse Take-
Over

CPC Qualifying
Transaction

SPAC
Qualifying
Transaction

Direct Listing

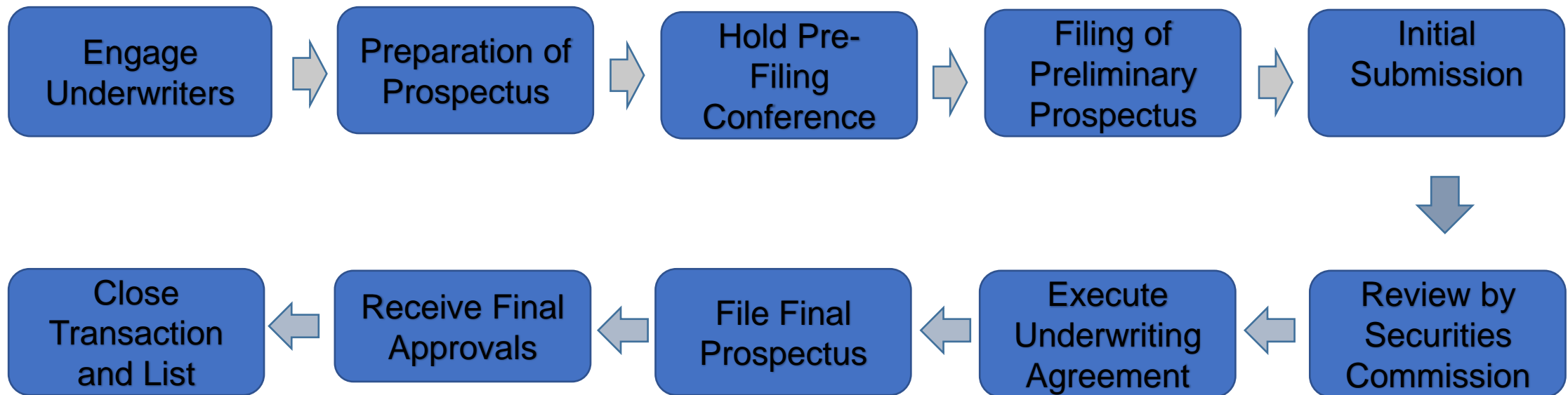
IPO Advantages

- provides a company with the opportunity to directly conduct a financing
- allows for a wider distribution of securities, which can create more publicity especially for a company not well known in Canada

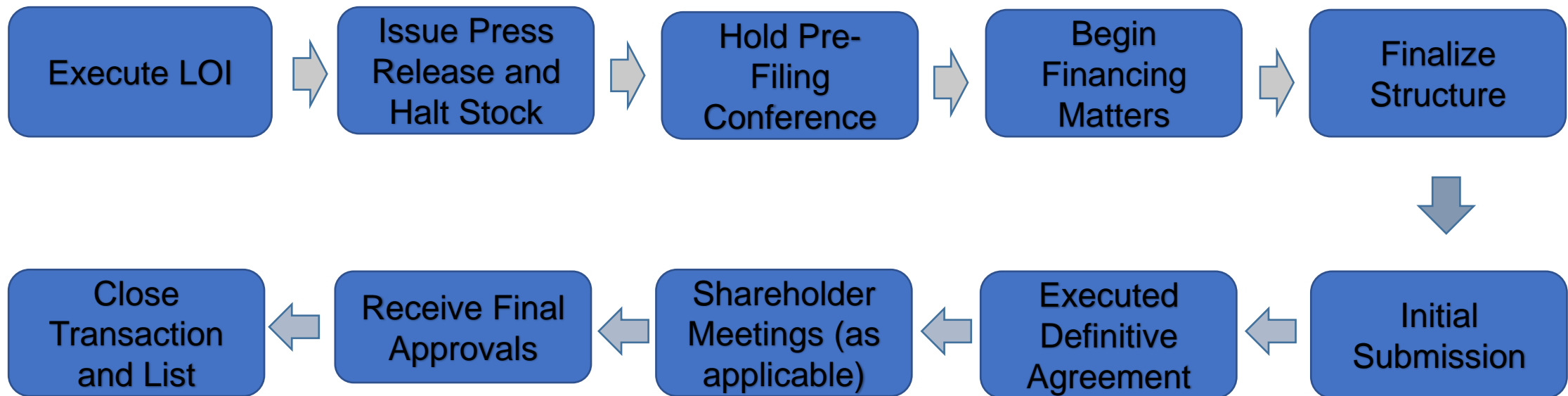
RTO Advantages

- ability to rely on the public company's existing shareholder base for distribution requirements
- may not require additional equity to be raised

Overview of typical IPO Timeline/Milestones



Overview of typical RTO Timeline/Milestones



Plan of
Arrangement

Amalgamation

Share
Exchange

Asset
Purchase

RTO Example: Plan of Arrangement

ADVANTAGES

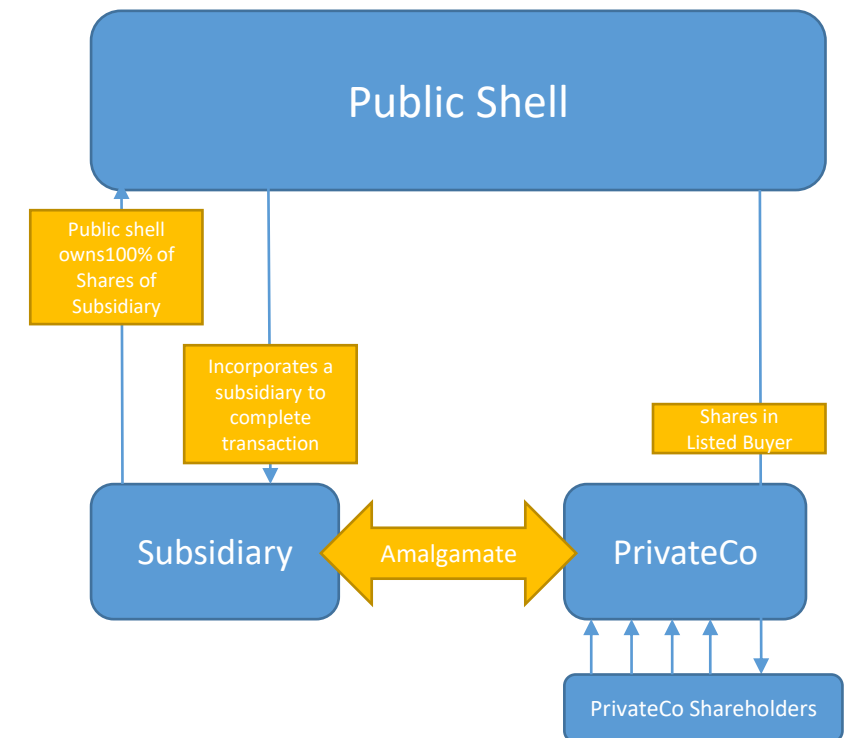
- A Plan of Arrangement (“PoA”) is a flexible court-sanctioned process to effect certain fundamental changes in a corporation.
- PoA’s provide RTO arrangements significant flexibility as they allow for complex or fundamental changes to occur in an organized and often concurrent manner.
- The fairness hearing typically permits the public company to rely on an exemption from US prospectus and registration requirements in connection with the issuance of securities to US residents.

DISADVANTAGES

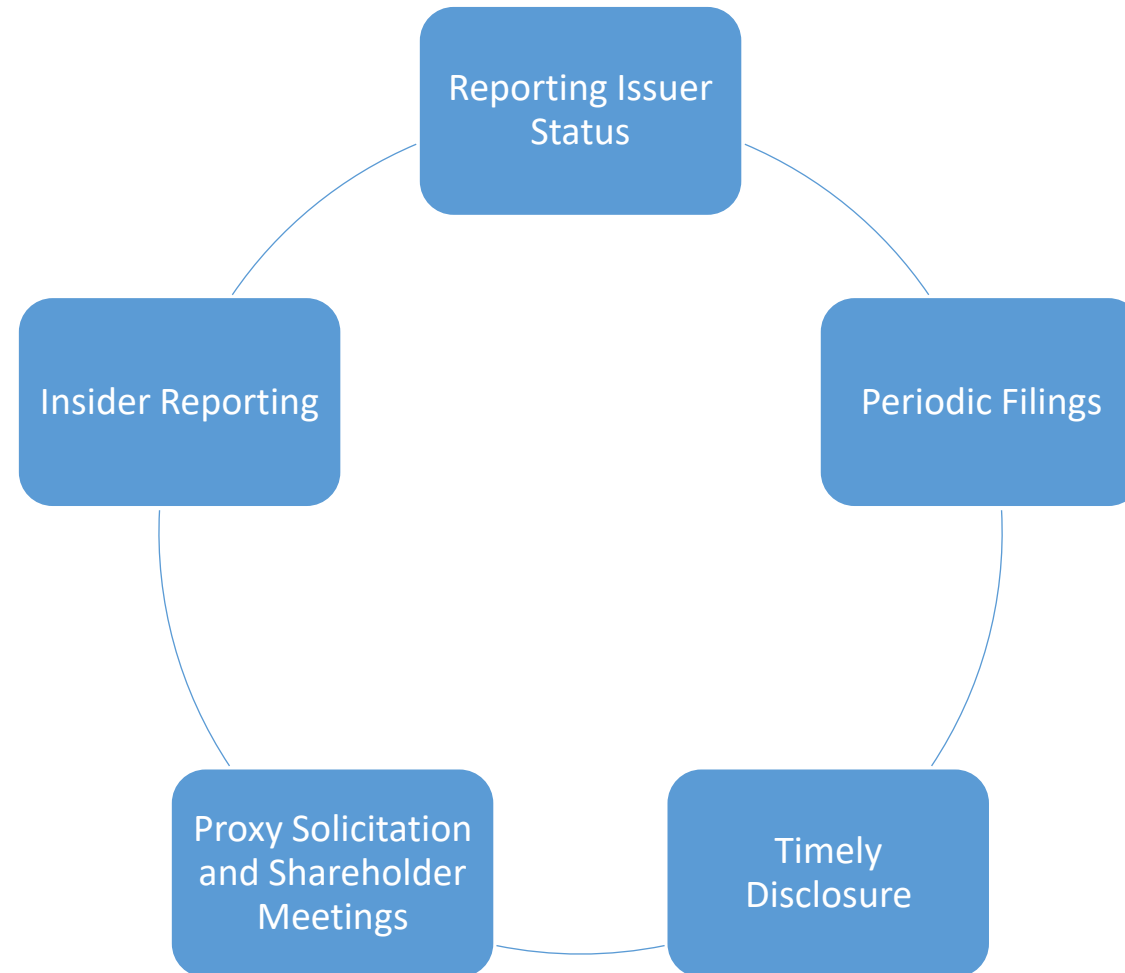
- Requirement for court approval, shareholder approval which typically requires prospectus level disclosure in an information circular.
- The convention to provide dissent rights.
- The costs can be high as planning is extensive and the parties are interacting with the courts .

RTO Example: Three-Cornered Amalgamation

- In the context of RTOs, amalgamations combine the public shell company (or a subsidiary) and the private company such that they form one amalgamated, listed, corporation.
- In the context of an RTO, three-corner amalgamations are common
- Reasons for three-cornered amalgamations include:
 - To avoid the requirement for obtaining approval of the public shell shareholders.
 - Although less flexible than a Plan of Arrangement, this statutory procedure avoids the need for court approval.



Life as a Public Company





Questions?

Thank You

For more information, contact:

Louise Lee

Partner, Calgary

[403.232.9408](tel:403.232.9408)

LoLee@blg.com

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