

TSX Venture Exchange

# The CPC Program



# Why a CPC and not an IPO?

A unique listing vehicle



You want to manage the costs of going public and don't need IPO distribution.



Your business would benefit from new investors and directors.



You want immediate access to capital and liquidity.

# Billions are raised on TSXV

The Right Size – The Right Structure – The Right Capital

ACCREDITED FAMILY OFFICES

HIGH NET WORTH

INVESTMENT ADVISORS

**INVESTORS** 

RETAIL INVESTORS

EXEMPT MARKET DEALERS

SMALL-CAP ASSET MANAGERS



TECHNOLOGY

HEALTHCARE

CONSUMER PRODUCTS

 **COMPANIES**

FINTECH

MANUFACTURING

RESOURCES

# CPC Program: A strong and proven track record

The #1 listing route to TSX Venture Exchange

**2,800+**

CPCs created

**~85%**

successfully completed  
a QT

**35%**

of grads on TSX are  
former CPCs

**22%**

of grads in 2024 began  
as a CPC

**40%**

of new listings on TSXV  
in 2024 were CPCs/QTs

**\$2.2B**

equity capital raised by  
former CPCs in 2024

# Listing of CPCs

## Seed shares

- Minimum price per seed share: Greater of \$0.05 and 50% of the IPO price
- Maximum amount of seed capital issued at less than the IPO price is \$1,000,000
- Minimum amount from Directors/Officers of the greater of (i) \$100,000; or (ii) 5% of all proceeds
- Minimum \$5,000 from each Director/Officer

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## Prospectus

- Minimum \$0.10 per IPO share
- Minimum of \$200,000

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## Aggregate gross proceeds

- \$300,000 to \$10,000,000 (seed shares + IPO shares)

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## Distribution

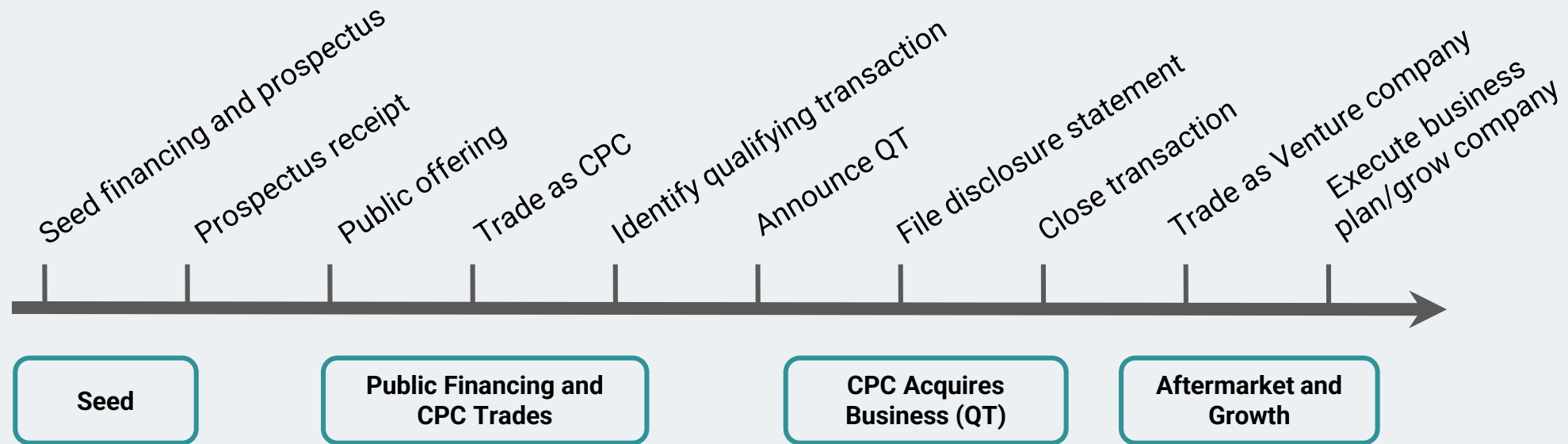
- 500,000 free trading shares; 20% public shareholders; 150 public shareholders; No new Insider unless disclosed in the Prospectus.

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## Other Criteria

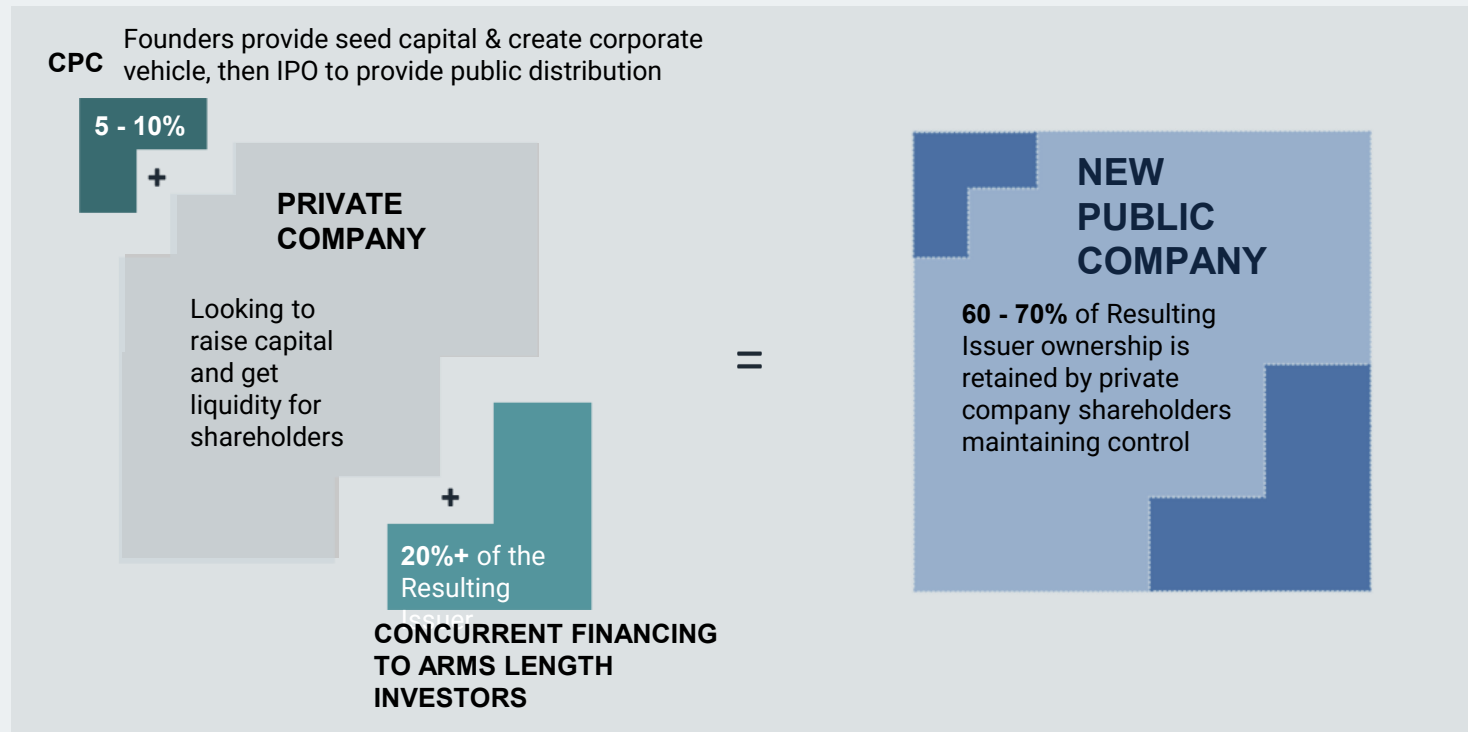
- No agreement in principle

# CPC and QT process



# Anatomy of a QT

A private company retains control and adds investors



# Sample seed structure for a CPC

	Shares	Price	Investment
Founder/Director A	280,000	\$0.125	\$35,000
Founder/Director B	280,000	\$0.125	\$35,000
Founder/Director C	280,000	\$0.125	\$35,000
Institutional Fund	1,000,000	\$0.125	\$125,000
<b>Total for Seed Investors</b>	<b>1,840,000</b>		<b>\$230,000</b>



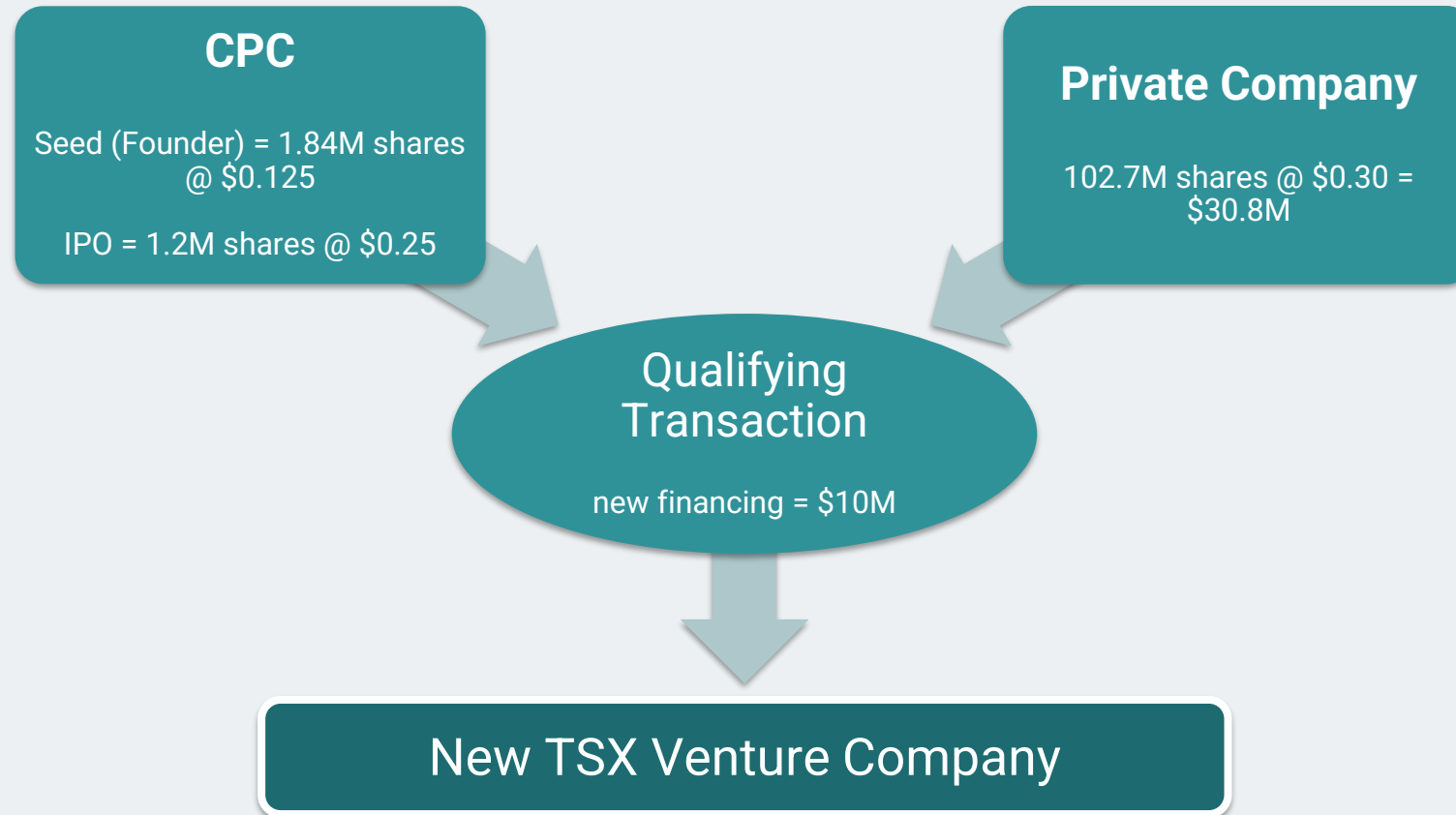
# Sample CPC share structure post-IPO

	Shares	Price	Total
Pre-IPO total (seed investors)	1,840,000	\$0.125	\$230,000
CPC IPO	1,200,000	\$0.25	\$300,000
<b>Post-IPO total</b>	<b>3,040,000</b>		<b>\$530,000</b>
Stock options (up to 10%)	304,000		
Broker warrants	120,000		
<b>Total (fully diluted)</b>	<b>3,464,000</b>		

# Resulting share structure

	Shares	Price	Invested/Valuation	Market @ \$0.30	Ownership
Seed Investors	1,840,000	\$0.125	\$230,000	\$552,000	1.3%
CPC IPO	1,200,000	\$0.25	\$300,000	\$360,000	0.9%
Operating Company	102,666,667	\$0.30	\$30.8M	\$30.8M	73.8%
Private Placement	33,333,333	\$0.30	\$10.0M	\$10.0M	23.9%
<b>Total</b>	<b>139,040,00</b>	<b>\$0.30</b>		<b>\$41,712,000</b>	<b>100%</b>

# Sample qualifying transaction



# New CPC Policy

We worked hard to bring you an enhanced CPC program

January 1, 2021

Increased Flexibility



Reduced Regulatory Burden



Improved Economics



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## KEY CHANGES

- Maximum gross proceeds increased from \$5M to \$10M.
- Remove the 24-month deadline to complete a QT.
- Subject to disinterested shareholder approval and to the limit as permitted under TSXV policies, allow a finder's fee to be paid to Non-Arm's Length Parties to the CPC.
- CPC escrow requirement revised to a standard 18-month escrow.
- Reduce the minimum number of public shareholders from 200 to 150.

# Deal Portal

Unique deal flow access for CPC founders

- Global and Canadian deal flow from TSX/TSXV Business Development team
- Assess transaction quality by contrasting and meeting other companies

700+

CPC founders registered  
on Deal Portal

240+

Bankers, brokers, and  
dealmakers registered  
on Deal Portal

61

New prospect decks  
uploaded in 2024

1,000+

Total deck views by CPC  
founders and investment  
bankers in 2024

# For more information

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