



2025-0002

November 6, 2025

**Part III
Original Listing Requirements
Appendix A—Original Listing Application
Financial Statements**

**Section 613
Security Based Compensation Arrangements**

STAFF NOTICE TO APPLICANTS, LISTED ISSUERS, SECURITIES LAWYERS AND PARTICIPATING ORGANIZATIONS

*****This Staff Notice replaces TSX Staff Notice 2013-0003, which is repealed in its entirety.*****

Toronto Stock Exchange (“TSX”) is providing guidance with respect to: (i) financial statements submitted to TSX in support of an original listing application (an “Application”); and (ii) the pricing of stock options, rights and other entitlements (“Options”) granted prior to an issuer’s initial public offering (“IPO”).

1. Financial Statements in Support of an Application

For the purpose of assessing whether an applicant meets certain original listing requirements, TSX relies on the following financial information: i) audited financial statements for the most recently completed financial year; ii) unaudited financial statements for the most recently completed financial quarter; and iii) pro forma financial statements¹.

In most cases, TSX relies on the financial statements that are publicly available on SEDAR or included in a prospectus for an IPO. However, TSX may require, or applicants may provide financial information solely for the purpose of establishing whether TSX original listing requirements are met. Accordingly, TSX staff wishes to provide guidance with regard to: i) the use of pro forma financial statements in support of an Application; and ii) accounting standards that are acceptable to TSX in the context of an Application.

The following information should not be interpreted as guidance regarding securities laws or other laws and regulations applicable to financial statements and other related information.

Pro forma financial statements

Pro forma financial statements may be used by applicants or be required by TSX if a significant transaction, such as an acquisition or disposition of assets has been recently completed or will be completed concurrently with, or shortly after, listing on TSX. To assess whether an applicant meets original listing requirements, TSX staff may rely on pro forma financial statements provided

¹ Pro forma financial statements may be required when the issuer has recently completed or proposes to complete a material transaction such as a business acquisition. Refer to Appendix A—Original Listing Application of the TSX Company Manual (“Manual”) for further information.

in a prospectus, business acquisition report or other publicly available document. TSX may also require that pro forma financial statements not otherwise publicly available be filed in support of an Application in order to satisfy TSX that the applicant meets original listing requirements.

Accounting standards

In addition to financial statements prepared in accordance with IFRS, TSX will accept financial statements prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in the United States (“US GAAP”) for SEC issuers² that are currently filing or anticipate filing such statements with the Canadian Securities Administrators under NI 52-107.

2. Pricing of Stock Options Granted Prior to an IPO

Subsection 613(h)(i) of the Manual requires that Options granted under a security based compensation agreement or otherwise may not be granted with an exercise price which is lower than the market price at the time the Option is granted. In the context of an IPO, TSX considers market price of the listed securities to be the offering price of the applicable security (the “Offering Price”).

Accordingly, Options granted within the three months immediately prior to the filing of a preliminary prospectus (the “Pre-IPO Period”) are generally expected to be priced at or above the Offering Price. TSX has followed the Pre-IPO Period as a guideline to establish a proxy for the period during which an issuer has knowledge of an upcoming IPO and should therefore not be pricing Options at a discount to the Offering Price. Options granted within three months immediately prior to the filing of a preliminary prospectus which are priced below the Offering Price will likely be required to be cancelled, forfeited or re-priced to the Offering Price as a condition of listing.

TSX may consider accepting Options with an exercise price that is not lower than the price at which the relevant securities have been issued pursuant to a recent material financing to arm’s length parties, notwithstanding that such price may be lower than the Offering Price.

If you have any questions about this Staff Notice, please contact (i) Anne Child (Managing Director, TSX Listings) at anne.child@tmx.com; or (ii) Selma Thaver (Managing Director, TSX Listings) at selma.thaver@tmx.com.

² As defined in National Instrument 52-107—*Acceptable Accounting Principles and Auditing Standards* (“NI 52-107”).