

Rob Cook on why 'they come to raise money' on The Canadian Securities Exchange

"It has been very gratifying this year. We profited from a fairly buoyant market, but at the same time we are just getting people coming at us from all directions. They come to raise money. They raised a lot of money. Our listed companies in November raised something like \$1.2 billion. Last year I think it was \$3.5 billion in a year. It is roundabout \$5 billion so far this year. That has been great." States Rob Cook, Senior Vice President of Market Development at The Canadian Securities Exchange, in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: How many new listings have you had since I saw you last, roundabout?

Rob Cook: About 20. That was just a month ago. Right?

Tracy Weslosky: In other words you continue to progress with your hockey stick expansion and growth?

Rob Cook: It has been very gratifying this year. We profited from a fairly buoyant market, but at the same time we are just getting people coming at us from all directions. They come to raise money. They raised a lot of money. Our listed companies in November raised something like \$1.2 billion. Last year I think it was \$3.5 billion in a year. It is roundabout \$5 billion so far this year. That has been great.

Tracy Weslosky: I think there is a lot of incorrect data out there so I am so happy you were able to join us. Is this market specific? I mean there are rumors on the streets, it is all cannabis growth, but I have seen other types of companies listed on the CSE. Can you talk to us about that?

Rob Cook: You have. We have had some interesting tech companies list recently. One is called Nerds On Site. They offer desktop support to small businesses. They have been in business for 23 years. They are located in London, Ontario. They are doing a big expansion in the United States. They did an IPO; just listed a couple of weeks ago.

Tracy Weslosky: That is an excellent example because we at InvestorIntel actually utilize Nerds On Site.

Rob Cook: Do you?

Tracy Weslosky: Yeah, but I think that is an excellent example where there are misnomers out there that many of your clients are just Canadian-based. I know Nerds On Site, for instance, have expansion plans into the United States.

Rob Cook: Yes.

Tracy Weslosky: Many of your companies now are actually Americans coming to list on the CSE. Can you talk to us about that?

Rob Cook: It has always been a bit cheaper to go public in Canada than the United States. Currently we have experienced quite a few fairly large companies from the United States, most of them in the cannabis sector. Not all of them are cannabis growers or sellers. A lot of them are more suppliers and ciliary businesses. We just listed one called Cresco Labs. They are in several states. They are providing services to cannabis growers across the United States. That has been very interesting. We continue to get a lot of interest from further afield, Mexico, Colombia, Jamaica. I am going to Jamaica in January for Capital Markets Conference there, also Europe and Asia and even Israel.

Tracy Weslosky: What you are saying is that the CSE has really gone global here in the last year or two..to access the complete interview, [click here](#)

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Cannabis and Blockchain, the CSE's record breaking year

May 31, 2018 – “I am here to give you an update on the CSE. In a word we are busy. 2017, we were busy. It was a record year. We have had a record year almost every year, but this one exceeded all others. At the end of the year we had 35 companies with a market cap each of over \$100 million dollars. It was the first time that our companies collectively and there were about 310 on average last year I would say, that raised over a billion dollars in financing.” states Rob Cook, Senior Vice President of Market Development of the Canadian Securities Exchange, in a recent presentation at the 7th Annual InvestorIntel Summit – Buds, Batteries & Blockchain 2018.

Rob Cook: I am here to give you an update on the CSE. In a word we are busy. 2017, we were busy. It was a record year. We have had a record year almost every year, but this one exceeded all others. At the end of the year we had 35 companies with a market cap each of over \$100 million dollars. It was the first time that our companies collectively and there were about 310 on average last year I would say, that raised over a billion dollars in financing. Due to the volume of our trading, it was the first time that our 300 odd companies traded more on a couple of days in December more than all of the companies on the TSX Venture Exchange in each of volume, value and trades. We had a lot of trading. Here is our 5-year trading trend. I think it is fair to call this a

hockey stick. There are not too many hockey sticks that you will see in a graph that are not projections. This one is historical. We are happy with that. You can see there is active trading, but is there liquidity? It is a small stock exchange. Most people seem to assume that there is going to be less liquidity on the CSE than on other stock exchanges that have a much bigger list. Turnover is a measure of liquidity. It is one that is easy to find. You take the value of the trading of all the shares and you divide that by the market cap of the companies whose shares you are trading. This is a monthly slide. I think you can guess that the red line is the CSE because it is the highest on the slide. I may not be showing it to you if it was not, right? The black line is the TSX and it is a more stable trading environment partly because it is larger, partly because it is large cap stocks. Typically it runs 4% to 5% a month turnover in trading. Our peak was over 30% in December. Yes, that was powered largely by cannabis. Some people claimed it was all cannabis. It is not true. It is only about 90%. It has obviously come off quite a bit since then, but in March our turnover was 13% compared with 5% on the other exchanges in Canada. We are not actually showing this to tell you that our market is more liquid than their market. What we have always told people is that the stock exchange does not give you liquidity. Liquidity is a function of investors' interest in trading the securities that are listed on your exchange. Obviously there was a lot of investor interest. All of the investors in our marketplace are part of the Canadian capital markets so we have the same dealers, the same investors. We do have different companies. That was a very big year for us. This slide shows growth in listings on the CSE. It goes back to 2007...to access the complete presentation, [click here](#)

The CSE takes a ride on the entrepreneurial roller coaster.

The future of the global markets are bringing everyone into the same system. There is really only one economic system now and the internet makes it so there will likely be a consolidated exchange one day. Perhaps it will come from an off-shore haven or a mobile entrepreneur with the right device and the right vision. But right now the most cost effective place to go public in the world is the Canadian Securities Exchange (CSE).

✘ Modern companies are being created by entrepreneurs, and those willing to invest in ideas. There are 40 million self directed investors in the US alone. Since every company wants to become big enough to go public, and the CSE is the least expensive way to do so, the start ups that are fuelling today's innovation are likely to continue to turn to the company-friendly CSE. Going public is about raising money, not spending it, and the exchange with the lowest rates to do so will continue to attract businesses with their technology directed approach.

The global market already has a global meeting place, the internet, and eventually one of these exchanges will become the go-to site for world markets. Obviously sooner than later technology advances may create one market. The CSE is the only exchange where all securities listed on Canadian exchanges may be traded in a single trading system. This kind of streamlined approach positions the CSE to continue to be Canada's fastest growing exchange. Regardless of whether trading will be done on one exchange, at the moment, the CSE is the least expensive place for any company to go public. And the internet allows anyone to do business from anywhere.

Toronto's CSE is the first full stock market to be approved by the Ontario securities commission in 70 years. Though an alternative to the Toronto Stock Exchange, companies often use the CSE as a shortcut to being listed on the TSX. But the TSX and the NYSE are so big and expensive now that they are not as friendly to small cap companies and entrepreneurs, yet the next google or apple is likely to look small time at first. Entrepreneurs are tired of paying fees to institutions that don't provide a service.

The big exchanges are public and are focused on profit for shareholders and so their vision is not as friendly to the forward thinking start-ups. The CSE is a private company with less need to please investors in the near term. This makes them more open to the junior companies that need a place to get started. The CSE is the most entrepreneur-friendly place for new companies to start their empires.

The CSE is looking to grow, and they could expand to listing all exchanges on one site. The regulations are not in place for that of course, but the way that technology and the internet has revolutionized international trade, it only makes sense that exchanges will be revolutionized as well. Perhaps before actual trading is done this way, exchanges might start by listing the information from other exchanges. Maybe the CSE could grow into a place where this could be done?