



Toronto
Futures
Options
Swaps
Exchange

Corporate Overview

Better Options for Derivatives.

Technology • Flexibility • Scale

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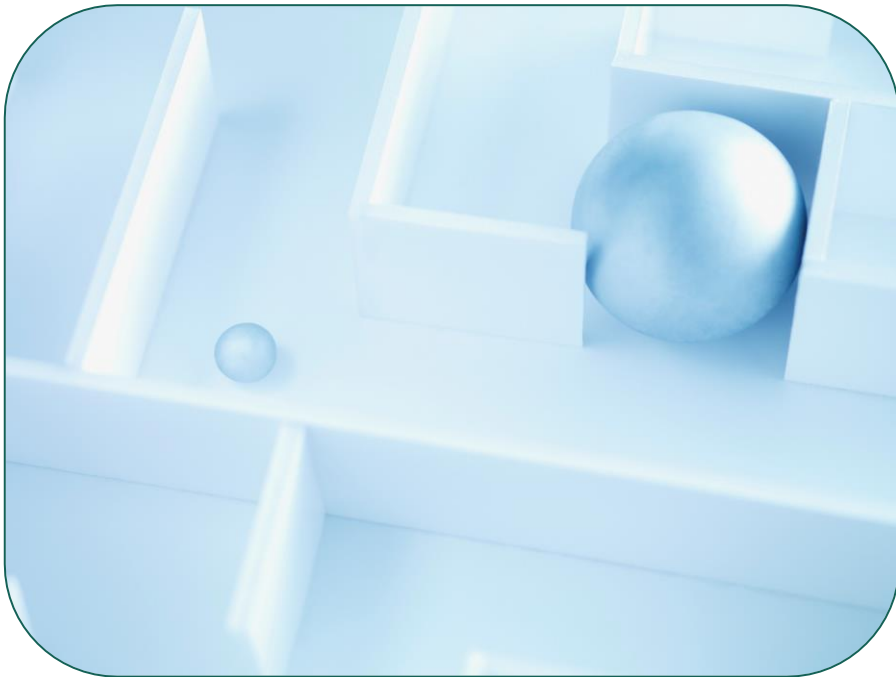
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Challenges of the Canadian Derivative Market



The absence of competition in exchange traded derivatives in Canada brings low levels of infrastructure reinvestment and innovation, accumulating decades of technical debt while generating significant annual profits for the incumbent.

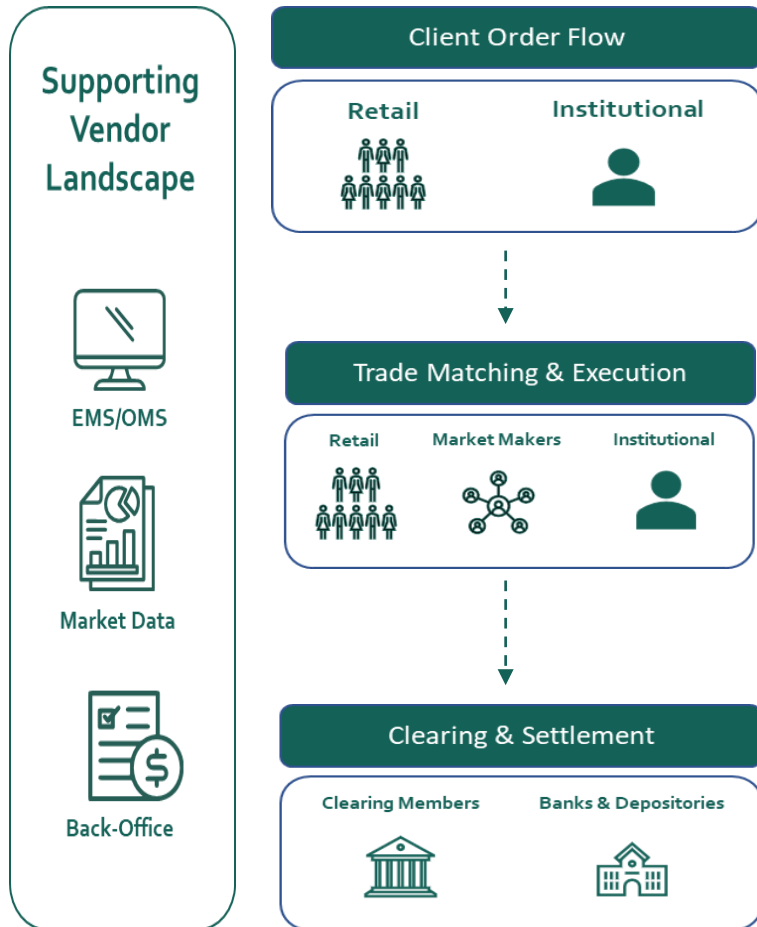
Most retail and institutional investors are opting out of the listed derivatives market in Canada evidenced by over two thirds of the inter-listed equity option flow being executed in the U.S.

The result, Canada's derivatives market, operating on legacy infrastructure, has failed to participate in the global transformation related to growth in derivatives seen in other markets.

In parallel, regulations are forcing capital and collateral requirements associated with the listed and OTC derivative markets to increase, contracting bank balance sheets.

This lack of reinvestment in derivatives clearing infrastructure further suppresses Market Participant's ability to compete globally, as these rising capital cost force investors to look outside of Canada for solutions.

tFOSE. solutions attract volume from market participants throughout the entire trading ecosystem

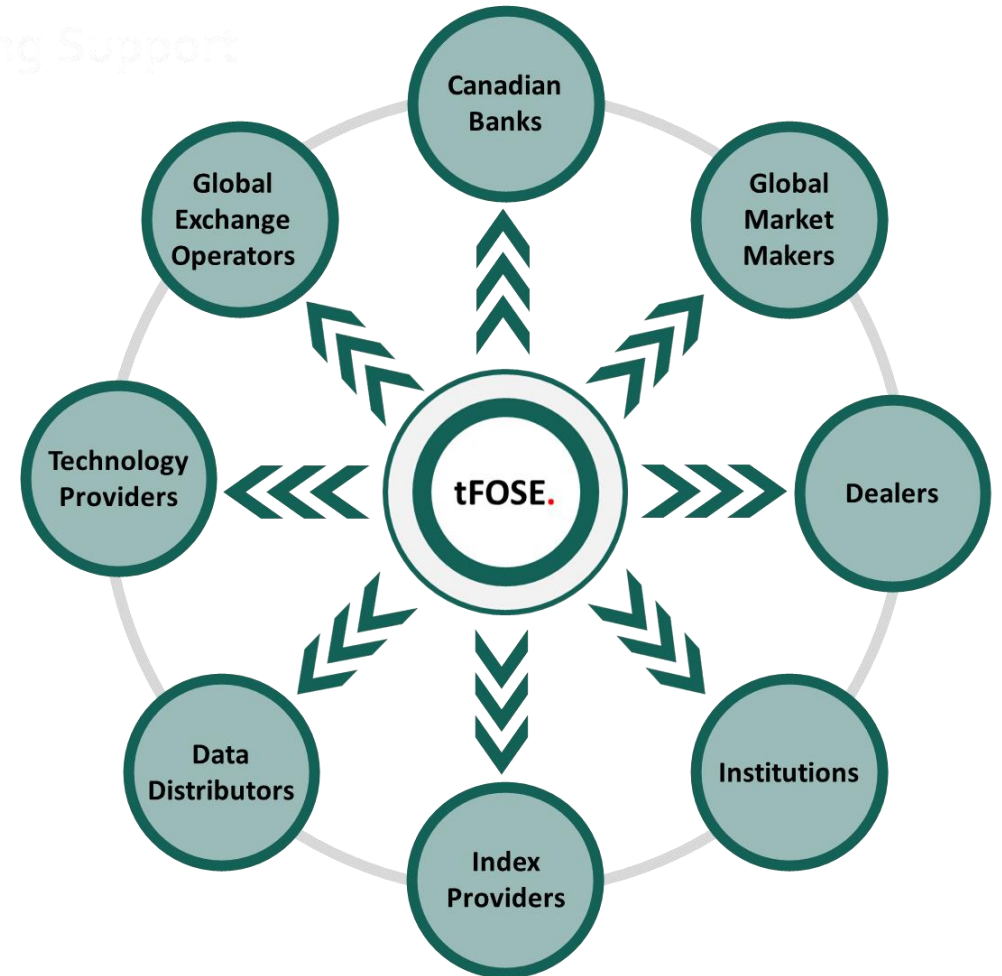


- Direct engagement with sources of Client Order Flow (independent dealers, banks and pension funds) to route flow in **exchange traded derivatives**
 - Focus on **tFOSE.'s advantages** related to market structure, liquidity and best execution opportunities
-
- Target Canadian and U.S. market participants providing **deep liquidity, narrow spreads and competition**
 - Lower integration costs interfacing with **modern familiar derivatives trading technology**
 - **Pricing Model** creates conditions for price discovery and quote depth
 - **Market structure** designed to provide **equitable** trading opportunities
 - **Automated trading** solutions that create trading **efficiencies**
 - **Align** market participants and tFOSE. interests
-
- Top 5 & Top 10 Canadian Clearing members represent 65% and 90% of clearing volume, respectively
 - Emphasis on **capital efficiencies** expanding the use of equity collateral (both Canadian and U.S.)
 - Portfolio Margin **reducing collateral demands** from existing Canadian standards
 - Permit the inclusion of long spread options to offset margin at the clearinghouse
 - Enhancing systemic resilience by encouraging hedging and preserving high-quality liquid assets on the balance sheets of market participants.

tFOSE. Is strategically increasing its visibility among the trading community

- **One-on-one** discussions with domestic and international participants
- **Validation** of the tFOSE. strategy from global algorithmic trading firms
- **Direct engagement** with global Exchange operators and technology providers
- **Strategy** on technology, market structure design, proposed data site and integration **resonate clearly** with participants
- **Expanding** industry touch points via introductions from **strategic relationships**

Building Support



Why do you feel tFOSE. is needed?

Competition drives innovation, efficiency and cost savings. tFOSE. recognizes a great revenue opportunity and forecasts achieving impressive EBITDA growth

Describe your market structure

Automated order/trade and superior risk functionality along with standard market features

Describe your syndicate composition.

The proposed syndicate reflects key global industry partners including exchanges, algorithmic trading firms and broker dealers

Who are your target participants?

To build a successful derivatives Exchange and Clearinghouse tFOSE. will target major Canadian and international derivatives players.

How will you attract liquidity?

A combination of market structure, product, market making, pricing, and innovative capital partners

What is the status of the regulatory application?

Applications are submitted and tFOSE. is in the process of finalizing its capital plan
The regulatory review process is subject to change



Executive Management



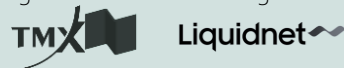
James Beattie, CFA
CEO

Respected risk capital specialist, business interventionist and markets executive across asset classes



Al Kovacs
COO, Trading

Capital markets and digital asset executive specialized in marketplace, dealer operations, regulation and risk management



Madeline Yu, CPA
CFO

Experienced chartered accountant, public company CFO and private investment fund advisor



Winville Larcher
SVP, Client Management

Executive with extensive knowledge of global financial institutions & trading and sales of cash and derivative products



Daju Gu
COO, Operations, Clearing and IT

Business operations leader with executive roles at leading banks and exchanges



Trusted Advisors



John Fennell
Board Member & Advisor

Derivatives clearing expert serving various instrumental roles at the world's largest options clearinghouse



Randee Pavalow
Strategic Advisor to the Board and CEO

Legal and regulatory leader with notable Canadian provincial securities regulation and exchange building experience



Jim Davies
Advisor (Canadian Financial Technology Consulting)

Market technology & business development executive with leadership experience in Canada and USA



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Corp. Strategy Advisor

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Award-winning global investment banker, private equity professional and corporate finance lawyer



Rik Parkhill
Corp. Strategy Advisor

CLARITI STRATEGIC ADVISORS
Senior corporate strategist with experience managing international banks, brokers and securities exchanges



- ❖ **Accredited Investor Outreach**
- ❖ Technology discussions
- ❖ Participant engagement

- ❖ **Syndicate Funding**
- ❖ Capital plan
- ❖ Final submission of applications

- ❖ **Public comment period followed by response to comment**
- ❖ Infrastructure build and industry revisions

- ❖ **Recognition Order**
- ❖ Industry testing
- ❖ Technology revisions
- ❖ Regulatory approvals supporting Go-Live



Milestones Completed Since Inception

- tFOSE. Incorporated
- Legal & executive team hires
- Technology review process
- Exchange & CCP applications filed with the CSA
- Proprietary product development
- Strategic Index partnerships
- Launch strategic financing round
- Regulatory submission & updates
- Launch market outreach program
- Requirements revisions

Contact

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