

# Action Note

Equity Research

Published and distributed by TD Securities Inc.

November 2, 2023

Energy Producers - Junior & Intermediate

## Tourmaline Oil Corp.

(TOU-T) C\$73.57

**Q3/23 in Line. Higher 2023 Spending. 2024 Guide as Expected**

**Aaron Bilkoski**

**Dustin Besaw, CFA**

### Event

Reports Q3/23 Results. Nudges 2023 Capital. Formalizes 2024 Guidance

### Impact: MIXED

**Q3/23 Volumes as Expected, CF Beat:** Tourmaline reported Q3/23 production of 503 mBOE/d, which was in line with both TD's estimate (498 mBOE/d) and consensus (500 mBOE/d). CFPS of \$2.55 exceeded TD/consensus expectations of \$2.42/2.43 by 5%. The stronger-than-expected CF relative to our expectation was largely the result of higher hedging gains.

**Spending a Bit More Than Anticipated in 2023; 2024 as Expected:** TOU increased its 2023 E&D capital budget by ~\$150 million (9%) to account for spending on the acquired Bonavista assets (late November close) and the movement of 2024 spending into the 2023 program. The 2024 capital budget has been formalized at \$2.25 billion (including \$100 million in exploration spending), which is generally in line with our previous expectation (consensus: \$2.23 billion).

- **Our View:** It appears the Bonavista spending and accelerated capex account for approximately half of the increase, with inflationary pressure accounting for an additional ~5% of the annual budget. We believe this may be a reoccurring theme as companies report results.

**Production Guidance Generally as Expected:** Tourmaline is formally guiding to 600 mBOE/d (although it acknowledged that volumes could range between 600-610 mBOE/d). The formal guidance is modestly lower than our previous 611 mBOE/d estimate (consensus: 610 mBOE/d), but immaterially so.

**Minor Deep Basin Tuck-in Builds Upon Prior Exploration Success:** In addition to the Bonavista acquisition, TOU also made a small Deep Basin acquisition (~600 BOE/d for \$19mm). This expands its Cardium oil inventory at Resthaven-Kakwa. Although it is not material, it highlights TOU's practice of building positions around exploration-program success.

### TD Investment Conclusion

Tourmaline offers quality assets, near- and long-term organic growth (~20%/share through YE-2025), industry-leading inventory depth, a robust dividend yield (2024E of 7% including specials), and negligible debt (YE-2024E D/CF of 0.3x). We have increased our NAV by ~5% and increased our valuation multiple slightly to 7x 2024E EV/DACF (from 6.75x). This results in an increase in our target price to \$82.00 (from \$79.00).

<b>Recommendation:</b>	<b>BUY</b>
<b>Risk:</b>	<b>HIGH</b>
<b>12-Month Target Price:</b>	<b>C\$82.00 ↑</b> <i>Prior: C\$79.00</i>
<b>12-Month Dividend (Est.):</b>	<b>C\$5.50</b>
<b>12-Month Total Return:</b>	<b>18.9%</b>

### Market Data (C\$)

Current Price	C\$73.57
52-Week Range	\$52.34 - \$84.10
Mkt Cap (f.d.) (\$mm)	\$25,387.8
Mkt Cap (basic) (\$mm)	\$25,050.6
Float Cap (\$mm)	\$23,453.7
Current Dividend	\$1.12
Dividend Yield	1.5%
Avg. Daily Trading Vol.	3,340,470

### Financial Data (C\$)

Fiscal Y-E	December
Shares O/S (f.d)(mm)	345.1
Shares O/S (basic) (mm)	340.5
Float Shares (mm)	318.8
Net Debt (\$mm)	\$915.6
NAVPS	\$83.92

### Estimates (C\$)

Year	2022A	2023E	2024E	2025E
CFPS (f.d)	14.28	11.12	12.58	11.82
CFPS (f.d) (old)	-	11.25	12.57	11.77

### CFPS (f.d) Quarterly Estimates (C\$)

Year	2022A	2023E	2024E	2025E
Q1	3.18	3.28	3.44	3.13
Q2	3.95	2.28	2.94	2.74
Q3	3.06	2.55	2.87	2.76
Q4	4.08	3.01	3.34	3.20

### Valuations

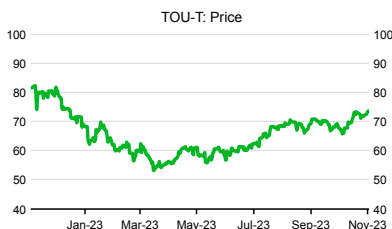
Year	2022A	2023E	2024E	2025E
EV/DACF	5.2x	7.2x	6.1x	6.5x
P/NAV	-	88.0%	-	-

### Supplemental Data

Year	2022A	2023E	2024E	2025E
WTI (US\$/bbl)	94.50	80.00	80.00	75.00
H. Hub (US\$/mcf)	6.40	2.60	3.40	3.90
AECO (C\$/mcf)	5.45	2.80	2.95	3.60
FX (US\$/C\$)	0.77	0.74	0.77	0.78

Current dividend (and yield) calculation includes only current base dividend of \$1.12 annually per share. 12-month dividend includes declared and TD-forecast special dividends (assumes 85% of FCF is returned to shareholders in 2024/2025E).

All figures in C\$, unless otherwise specified



### Company Profile

Tourmaline Oil Corp. (TOU-T) is a Canadian oil and natural-gas exploration, development, and production company, with properties concentrated in central Alberta and northeast B.C.

# Action Note

Equity Research

November 2, 2023

## Exhibit 1. Q3/23A Results vs. TD Estimates and Prior Periods

	Q3/23A		Actual vs. TD		Q/Q		Y/Y	
	Actual	TD Est.	%	\$/Share	Q2/23A	%	Q3/22A	%
<b>Average Production [BOE/d]</b>	<b>502,524</b>	<b>497,891</b>	1%	-	<b>495,918</b>	1%	<b>481,897</b>	4%
% Natural Gas	77%	78%	(1%)	-	78%	(1%)	77%	(1%)
<b>Financial (\$mm)</b>								
Revenue	\$1,448	\$1,445	0%	-	\$1,276	13%	\$2,031	(29%)
Cash Flow (Non-IFRS)	\$879	\$832	6%	-	\$784	12%	\$1,051	(16%)
Capex	\$533	\$575	(7%)	-	\$239	124%	\$483	10%
Ending Net Debt	\$916	\$1,021	(10%)	-	\$830	10%	\$591	55%
<b>CFPS (diluted)</b>	<b>\$2.55</b>	<b>\$2.42</b>	5%	-	<b>\$2.28</b>	12%	<b>\$3.06</b>	(17%)
<b>DPS</b>	<b>\$1.26</b>	<b>\$1.26</b>	-	-	<b>\$1.76</b>	-	<b>\$2.23</b>	-
<b>Netbacks (\$/BOE)</b>								
Revenue	\$31.32	\$31.55	(1%)	\$0.00	\$28.28	11%	\$45.80	(32%)
Hedging Gains/(Loss)	\$3.41	\$2.04	67%	\$0.19	\$3.88	(12%)	(\$6.05)	(156%)
Royalties	(\$3.02)	(\$2.67)	13%	(\$0.05)	(\$2.82)	7%	(\$6.63)	(54%)
% Revenue	10%	8%	1%	1%	10%	(0%)	14%	(5%)
Operating	(\$4.60)	(\$4.60)	(0%)	(\$0.00)	(\$4.63)	(1%)	(\$4.36)	5%
Transportation	(\$5.12)	(\$5.15)	(1%)	(\$0.00)	(\$5.15)	(1%)	-	-
<b>Operating Netback</b>	<b>\$21.99</b>	<b>\$21.17</b>	4%	<b>\$0.13</b>	<b>\$19.56</b>	12%	<b>\$28.76</b>	(24%)
G&A (Cash)	(\$0.73)	(\$0.61)	19%	(\$0.02)	(\$0.73)	(1%)	(\$0.55)	33%
Interest Expense	(\$0.16)	(\$0.16)	3%	(\$0.00)	(\$0.14)	18%	(\$0.16)	5%
Income / Capital Tax	(\$2.22)	(\$2.04)	9%	(\$0.03)	(\$1.21)	84%	(\$0.10)	2190%
Other	\$0.12	(\$0.20)	(161%)	\$0.04	(\$0.11)	(210%)	\$0.41	(70%)
<b>Cash Netback</b>	<b>\$19.00</b>	<b>\$18.16</b>	5%	<b>\$0.13</b>	<b>\$17.37</b>	9%	<b>\$28.38</b>	(33%)

Source: Company reports, TD Securities Inc.

## Exhibit 2. Annual Estimate Revisions

	Guidance	2023E				2024E				2025E			
		New	Old	Var.	Guidance	New	Old	Var.	New	Old	Var.		
<b>Average Production [BOE/d]</b>	<b>520k</b>	<b>520,074</b>	<b>526,504</b>	(1%)	<b>600-610k</b>	<b>605,191</b>	<b>611,457</b>	(1%)	<b>635,575</b>	<b>639,823</b>	(1%)		
% Natural Gas	77%	77%	78%	(0%)	77%	77%	77%	(0%)	77%	77%	0%		
<b>Financial (\$mm)</b>													
Revenue		\$6,534	\$6,591	(1%)		\$7,508	\$7,477	0%	\$7,710	\$7,774	(1%)		
Cash Flow (Non-IFRS)		\$3,843	\$3,883	(1%)		\$4,474	\$4,457	0%	\$4,203	\$4,173	1%		
Capex*	\$1,825	\$1,925	\$1,775	8%	\$2,150	\$2,250	\$2,200	2%	\$2,550	\$2,325	10%		
Ending Net Debt		\$1,601	\$1,427	12%		\$1,290	\$1,181	9%	\$1,287	\$764	68%		
<b>CFPS (diluted)</b>		<b>\$11.12</b>	<b>\$11.25</b>	(1%)		<b>\$12.58</b>	<b>\$12.57</b>	0%	<b>\$11.82</b>	<b>\$11.77</b>	0%		
<b>DPS</b>		<b>\$6.55</b>	<b>\$6.55</b>	-		<b>\$5.18</b>	<b>\$5.56</b>	(7%)	<b>\$4.43</b>	<b>\$3.90</b>	13%		
<b>Netbacks (\$/BOE)</b>													
Revenue		\$34.42	\$34.30	0%		\$33.99	\$33.50	1%	\$33.24	\$33.29	(0%)		
Hedging Gains/(Loss)		\$2.75	\$2.31	-		\$1.69	\$1.46	-	\$0.94	\$0.90	-		
Royalties		(\$3.74)	(\$3.32)	13%		(\$3.50)	(\$3.31)	6%	(\$3.72)	(\$4.35)	(14%)		
% Revenue		11%	10%	12%		10%	10%	4%	11%	13%	(14%)		
Operating	\$4.60	(\$4.61)	(\$4.52)	2%		(\$4.26)	(\$4.01)	6%	(\$4.25)	(\$4.00)	6%		
Transportation		(\$5.13)	(\$5.13)	(0%)		(\$4.91)	(\$4.91)	0%	(\$4.90)	(\$4.90)	0%		
<b>Operating Netback</b>		<b>\$23.68</b>	<b>\$23.64</b>	0%		<b>\$23.00</b>	<b>\$22.73</b>	1%	<b>\$21.30</b>	<b>\$20.94</b>	2%		
G&A (Cash)	\$0.70	(\$0.69)	(\$0.63)	10%		(\$0.60)	(\$0.50)	19%	(\$0.57)	(\$0.48)	19%		
Interest Expense		(\$0.17)	(\$0.19)	(9%)		(\$0.23)	(\$0.30)	(24%)	(\$0.18)	(\$0.14)	33%		
Income / Capital Tax		(\$2.50)	(\$2.47)	1%		(\$1.77)	(\$1.75)	1%	(\$2.28)	(\$2.26)	1%		
Other		(\$0.07)	(\$0.15)	(52%)		(\$0.15)	(\$0.20)	(25%)	(\$0.15)	(\$0.20)	(25%)		
<b>Cash Netback</b>		<b>\$20.24</b>	<b>\$20.21</b>	0%		<b>\$20.25</b>	<b>\$19.97</b>	1%	<b>\$18.12</b>	<b>\$17.87</b>	1%		

\*TOU E&amp;P capex guidance excludes "exploration" costs estimated at \$100mm per year.

Source: Company reports, TD Securities Inc.



# Action Note

Equity Research

November 2, 2023

## Valuation

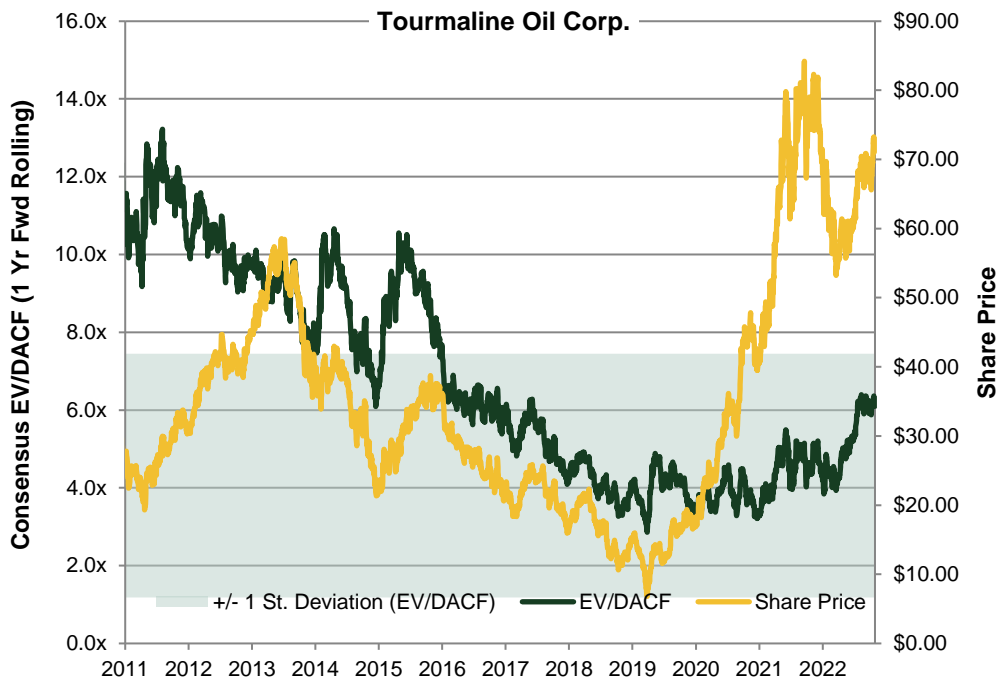
**Exhibit 3. NAV Summary**

2P Reserves	Reserves	NPV (\$mm)	NPV/BOE	(\$/Share)
mmBOE	4,958.9	\$25,870	\$5.22	\$73.08
Net Undeveloped Land	000's Acres	\$/acre	Land Value (\$mm)	Land Value (per share)
WCSB Conventional	2,601	\$517	\$1,345	\$3.80
<b>Total Other Assets</b>			<b>\$3,745</b>	<b>\$10.58</b>
Hedging Gain/Loss			\$896	\$2.53
Liabilities (\$mm)			(\$mm)	(per share)
Net Debt (\$mm)			(\$1,244)	(\$3.51)
			(\$mm)	(per share)
<b>NAV<sub>BD</sub></b>			<b>\$29,709</b>	<b>\$83.92</b>

Net debt is YE-2022E adjusted for YTD acquisitions/dispositions.  
Source: Company reports, TD Securities Inc.

TOU is trading at a 2024E EV/DACF multiple of 6.1x, which is above its gas-weighted WCSB peers (4.3x). It is also trading in line with its Bloomberg consensus three-year average of 6.1x. Given the combination of growth, significant FCF (after all capex), special dividend potential, JKM natural-gas contract exposure, and low financial leverage, we believe a premium valuation is justified.

**Exhibit 4. Tourmaline Historical EV/DACF (12-month Forward Consensus)**



Source: Company reports, TD Securities Inc.

# Action Note

Equity Research

November 2, 2023

## Exhibit 5. Peer Group Comparison

	Mkt Cap.	Yield 2024E	D/CF 2024E	% Drawn 2024E	All-In PoR 2024E**	BOE/d			EV/DACF		
						2024E	Gas	Gwth*	P/NAV	2024E	2025E
<b>Canadian Gas Weighted</b>											
AAV	\$1,746	0%	0.6x	65%	72%	67,018	88%	20%	77%	4.4x	3.4x
ARX	\$13,702	3%	0.3x	0%	75%	354,654	60%	5%	150%	4.3x	3.7x
BIR	\$2,111	10%	0.6x	34%	99%	78,479	81%	3%	60%	4.7x	4.6x
CR	\$1,001	0%	0.2x	14%	97%	34,005	75%	10%	72%	3.7x	3.7x
KEL	\$1,584	0%	-0.1x	0%	89%	38,181	60%	21%	88%	4.4x	4.0x
LGN	\$494	0%	0.3x	117%	203%	10,149	68%	103%	208%	8.8x	4.8x
NVA	\$3,008	0%	0.1x	0%	66%	85,231	60%	20%	110%	3.4x	3.1x
PEY	\$2,581	9%	1.3x	47%	81%	135,109	86%	19%	71%	4.1x	3.3x
SDE	\$770	0%	-0.2x	0%	62%	39,825	70%	(25%)	68%	2.9x	2.2x
<b>TOU</b>	<b>\$25,388</b>	<b>7%</b>	<b>0.3x</b>	<b>15%</b>	<b>91%</b>	<b>605,191</b>	<b>77%</b>	<b>13%</b>	<b>88%</b>	<b>6.1x</b>	<b>6.5x</b>
<b>Median</b>		<b>0%</b>	<b>0.3x</b>	<b>15%</b>	<b>85%</b>	<b>72,748</b>	<b>72%</b>	<b>16%</b>	<b>82%</b>	<b>4.3x</b>	<b>3.7x</b>
<b>Conventional Oil Weighted</b>											
BTE	\$4,441	1%	0.9x	7%	59%	158,118	16%	42%	74%	2.7x	2.5x
CPG	\$6,019	4%	0.8x	26%	61%	147,687	28%	1%	80%	3.1x	3.0x
EOG ***	\$100,387	6%	-0.4x	0%	81%	1,068,444	31%	9%	74%	5.2x	5.1x
ERF ***	\$4,853	1%	0.0x	0%	57%	97,540	35%	9%	96%	3.1x	2.7x
VET	\$2,802	2%	0.5x	0%	47%	84,380	53%	7%	85%	2.7x	2.7x
WCP	\$6,570	7%	0.6x	0%	84%	166,254	37%	9%	68%	3.9x	3.9x
<b>Median</b>		<b>3%</b>	<b>0.5x</b>	<b>0%</b>	<b>60%</b>	<b>152,902</b>	<b>33%</b>	<b>9%</b>	<b>77%</b>	<b>3.1x</b>	<b>2.8x</b>
<b>Median</b>	<b>\$3,008</b>	<b>2%</b>	<b>0.3x</b>	<b>4%</b>	<b>78%</b>	<b>91,385</b>	<b>60%</b>	<b>9%</b>	<b>79%</b>	<b>4.0x</b>	<b>3.5x</b>

\*Y/Y Growth Per Share, \*\* (Capex + Dividend) / CF., \*\*\* Mkt cap. converted to \$CA.

Source: Company reports, TD Securities Inc.

### Justification of Target Price

Our target price combines 1.0x our 2PNAV at a 25% weighting. The other 75% is based on an EV/DACF multiple of 7.0x TOU's 2024E DACF (excluding TPZ dividends and net cash uplift from the JKM natural-gas contract). We then add back our calculated NPV of the JKM contract over 15 years plus TPZ equity ownership to our total implied equity value.

### Key Risks to Target Price

Key risks associated with our target price include business risks of the company and industry, including but not limited to: loss of key employees, drilling success, volatile commodity prices, operating costs, capital cost overruns, product supply and demand, financing/access to capital, government regulations, legislation, royalties, taxes, exchange rates, interest rates, and environmental and weather concerns. There is also no guarantee that current bank credit facilities will be renewed at current levels.



# Action Note

Equity Research

November 2, 2023

## Exhibit 6. Key Commodity Sensitivities (Assumes Flat Pricing Through 2025)

### 2024E Sensitivities

Cash Flow Per Share [\$ /Share]											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	
NYMEX (US\$/mcf)	\$1.00	\$3.24	\$4.09	\$4.94	\$5.80	\$6.64	\$7.48	\$8.31	\$9.14	\$9.96	\$10.79
	\$2.00	\$5.46	\$6.31	\$7.15	\$7.98	\$8.81	\$9.64	\$10.47	\$11.29	\$12.12	\$12.94
	\$3.00	\$7.66	\$8.49	\$9.31	\$10.14	\$10.97	\$11.79	\$12.62	\$13.44	\$14.27	\$15.10
	\$4.00	\$9.82	\$10.64	\$11.47	\$12.29	\$13.12	\$13.95	\$14.77	\$15.60	\$16.41	\$17.23
	\$5.00	\$11.97	\$12.80	\$13.62	\$14.45	\$15.27	\$16.09	\$16.91	\$17.72	\$18.54	\$19.34
	\$6.00	\$14.12	\$14.95	\$15.77	\$16.59	\$17.40	\$18.21	\$19.02	\$19.83	\$20.64	\$21.44
	\$7.00	\$16.25	\$17.07	\$17.88	\$18.69	\$19.50	\$20.31	\$21.11	\$21.92	\$22.73	\$23.53

### Cash Flow [SMM]

Cash Flow [SMM]											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	
NYMEX (US\$/mcf)	\$1.00	\$1,150	\$1,454	\$1,757	\$2,061	\$2,362	\$2,660	\$2,955	\$3,249	\$3,543	\$3,836
	\$2.00	\$1,942	\$2,245	\$2,544	\$2,839	\$3,133	\$3,427	\$3,721	\$4,015	\$4,308	\$4,602
	\$3.00	\$2,723	\$3,017	\$3,312	\$3,605	\$3,899	\$4,193	\$4,486	\$4,780	\$5,074	\$5,367
	\$4.00	\$3,490	\$3,784	\$4,077	\$4,371	\$4,665	\$4,958	\$5,252	\$5,545	\$5,836	\$6,125
	\$5.00	\$4,255	\$4,549	\$4,843	\$5,136	\$5,430	\$5,722	\$6,011	\$6,300	\$6,590	\$6,877
	\$6.00	\$5,021	\$5,314	\$5,607	\$5,897	\$6,186	\$6,474	\$6,764	\$7,051	\$7,337	\$7,624
	\$7.00	\$5,779	\$6,069	\$6,357	\$6,647	\$6,933	\$7,220	\$7,507	\$7,794	\$8,080	\$8,367

### Estimated Total Dividends Per Share

Estimated Total Dividends Per Share											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	
NYMEX (US\$/mcf)	\$1.00	\$1.12	\$1.12	\$1.12	\$1.12	\$1.30	\$1.62	\$2.09	\$2.63	\$3.28	\$3.93
	\$2.00	\$1.12	\$1.22	\$1.49	\$1.95	\$2.42	\$3.05	\$3.70	\$4.35	\$4.99	\$5.64
	\$3.00	\$1.80	\$2.27	\$2.82	\$3.47	\$4.12	\$4.76	\$5.41	\$6.06	\$6.71	\$7.35
	\$4.00	\$3.24	\$3.89	\$4.54	\$5.18	\$5.83	\$6.48	\$7.12	\$7.77	\$8.42	\$9.06
	\$5.00	\$4.95	\$5.60	\$6.25	\$6.90	\$7.54	\$8.19	\$8.83	\$9.47	\$10.12	\$10.75
	\$6.00	\$6.67	\$7.31	\$7.96	\$8.60	\$9.24	\$9.88	\$10.53	\$11.16	\$11.80	\$12.43
	\$7.00	\$8.36	\$9.00	\$9.64	\$10.29	\$10.92	\$11.56	\$12.19	\$12.83	\$13.46	\$14.10

### Estimated Total Dividend Yield

Estimated Total Dividend Yield											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	
NYMEX (US\$/mcf)	\$1.00	2%	2%	2%	2%	2%	2%	3%	4%	4%	5%
	\$2.00	2%	2%	2%	3%	3%	4%	5%	6%	7%	8%
	\$3.00	2%	3%	4%	5%	6%	6%	7%	8%	9%	10%
	\$4.00	4%	5%	6%	7%	8%	9%	10%	11%	11%	12%
	\$5.00	7%	8%	8%	9%	10%	11%	12%	13%	14%	15%
	\$6.00	9%	10%	11%	12%	13%	13%	14%	15%	16%	17%
	\$7.00	11%	12%	13%	14%	15%	16%	17%	17%	18%	19%

### Available on Current Bank Credit Facility [SMM]

Available on Current Bank Credit Facility [SMM]											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	
NYMEX (US\$/mcf)	\$1.00	-\$330	\$24	\$379	\$734	\$1,024	\$1,260	\$1,441	\$1,596	\$1,713	\$1,831
	\$2.00	\$617	\$936	\$1,192	\$1,377	\$1,557	\$1,680	\$1,797	\$1,915	\$2,033	\$2,150
	\$3.00	\$1,313	\$1,493	\$1,646	\$1,764	\$1,881	\$1,999	\$2,117	\$2,234	\$2,352	\$2,470
	\$4.00	\$1,730	\$1,848	\$1,965	\$2,083	\$2,201	\$2,319	\$2,436	\$2,550	\$2,665	\$2,780
	\$5.00	\$2,050	\$2,167	\$2,285	\$2,403	\$2,520	\$2,638	\$2,750	\$2,865	\$2,980	\$3,095
	\$6.00	\$2,369	\$2,487	\$2,605	\$2,723	\$2,841	\$2,959	\$3,077	\$3,195	\$3,313	\$3,431
	\$7.00	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550

### Net Debt to Cash Flow [x]

Net Debt to Cash Flow [x]											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	
NYMEX (US\$/mcf)	\$1.00	3.3x	2.4x	1.8x	1.3x	1.0x	0.8x	0.7x	0.6x	0.5x	0.4x
	\$2.00	1.5x	1.1x	0.9x	0.7x	0.6x	0.5x	0.4x	0.4x	0.3x	0.3x
	\$3.00	0.8x	0.7x	0.5x	0.5x	0.4x	0.3x	0.3x	0.3x	0.2x	0.2x
	\$4.00	0.5x	0.4x	0.4x	0.3x	0.3x	0.2x	0.2x	0.2x	0.1x	0.1x
	\$5.00	0.3x	0.3x	0.2x	0.2x	0.2x	0.1x	0.1x	0.1x	0.1x	0.1x
	\$6.00	0.2x	0.2x	0.2x	0.1x	0.1x	0.1x	0.1x	0.0x	0.0x	0.0x
	\$7.00	0.1x	0.1x	0.1x	0.1x	0.0x	0.0x	0.0x			

### Net Debt (Net Cash) [SMM]

Net Debt (Net Cash) [SMM]											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	
NYMEX (US\$/mcf)	\$1.00	\$3,796	\$3,441	\$3,087	\$2,732	\$2,441	\$2,205	\$2,025	\$1,870	\$1,752	\$1,635
	\$2.00	\$2,849	\$2,529	\$2,274	\$2,089	\$1,909	\$1,786	\$1,668	\$1,551	\$1,433	\$1,315
	\$3.00	\$2,153	\$1,972	\$1,820	\$1,702	\$1,584	\$1,467	\$1,349	\$1,231	\$1,113	\$996
	\$4.00	\$1,736	\$1,618	\$1,500	\$1,382	\$1,265	\$1,147	\$1,029	\$912	\$796	\$681
	\$5.00	\$1,416	\$1,298	\$1,181	\$1,063	\$945	\$829	\$714	\$599	\$484	\$369
	\$6.00	\$1,097	\$979	\$862	\$747	\$632	\$517	\$402	\$287	\$172	\$57
	\$7.00	\$782	\$666	\$551	\$436	\$321	\$207	\$92	-\$23	-\$138	-\$253

### 2025E Sensitivities

Cash Flow Per Share [\$ /Share]											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	
NYMEX (US\$/mcf)	\$1.00	(\$0.14)	\$0.84	\$1.83	\$2.82	\$3.79	\$4.75	\$5.70	\$6.63	\$7.55	\$8.46
	\$2.00	\$2.62	\$3.60	\$4.56	\$5.51	\$6.45	\$7.37	\$8.29	\$9.21	\$10.11	\$11.02
	\$3.00	\$5.33	\$6.27	\$7.20	\$8.12	\$9.03	\$9.94	\$10.85	\$11.75	\$12.65	\$13.55
	\$4.00	\$7.94	\$8.86	\$9.77	\$10.68	\$11.58	\$12.48	\$13.38	\$14.27	\$15.15	\$16.03
	\$5.00	\$10.50	\$11.41	\$12.31	\$13.21	\$14.11	\$14.99	\$15.86	\$16.74	\$17.61	\$18.48
	\$6.00	\$13.04	\$13.94	\$14.82	\$15.70	\$16.57	\$17.45	\$18.32	\$19.19	\$20.07	\$20.94
	\$7.00	\$15.54	\$16.41	\$17.28	\$18.16	\$19.03	\$19.90	\$20.78	\$21.65	\$22.53	\$23.40

### Cash Flow [SMM]

Cash Flow [SMM]											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	
NYMEX (US\$/mcf)	\$1.00	-\$932	\$1,279	\$1,623	\$1,961	\$2,294	\$2,621	\$2,947	\$3,273	\$3,596	\$3,917
	\$2.00	\$932	\$1,279	\$1,623	\$1,961	\$2,294	\$2,621	\$2,947	\$3,273	\$3,596	\$3,917
	\$3.00	\$1,895	\$2,230	\$2,559	\$2,885	\$3,211	\$3,535	\$3,856	\$4,178	\$4,499	\$4,818
	\$4.00	\$2,824	\$3,150	\$3,474	\$3,796	\$4,117	\$4,438	\$4,758	\$5,075	\$5,387	\$5,698
	\$5.00	\$3,735	\$4,056	\$4,377	\$4,697	\$5,015	\$5,329	\$5,639	\$5,950	\$6,261	\$6,571
	\$6.00	\$4,637	\$4,956	\$5,270	\$5,581	\$5,892	\$6,202	\$6,513	\$6,824	\$7,134	\$7,445
	\$7.00	\$5,524	\$5,833	\$6,144	\$6,455	\$6,765	\$7,076	\$7,387	\$7,698	\$8,008	\$8,319

### Estimated Total Dividends Per Share

Estimated Total Dividends Per Share											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	
NYMEX (US\$/mcf)	\$1.00	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.13	\$1.45	\$1.84
	\$2.00	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12
	\$3.00	\$1.12	\$1.28	\$1.67	\$2.06	\$2.44	\$3.01	\$3.78	\$4.54	\$5.31	\$6.07
	\$4.00	\$1.97	\$2.36	\$2.86	\$3.62	\$4.39	\$5.16	\$5.92	\$6.68	\$7.43	\$8.17
	\$5.00	\$3.47	\$4.24	\$5.00	\$5.77	\$6.53	\$7.28	\$8.02	\$8.77	\$9.51	\$10.25
	\$6.00	\$5.62	\$6.38	\$7.13	\$7.88	\$8.62	\$9.36	\$10.11	\$10.85	\$11.59	\$12.34
	\$7.00	\$7.73	\$8.47	\$9.21	\$9.96	\$10.70	\$11.45	\$12.19	\$12.93	\$13.68	\$14.42

### Estimated Total Dividend Yield

Estimated Total Dividend Yield											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	
NYMEX (US\$/mcf)	\$1.00	2%	2%	2%	2%	2%	2%	2%	2%	2%	3%
	\$2.00	2%	2%	2%	2%	2%	2%	2%	3%	4%	5%
	\$3.00	2%	2%	2%	3%	3%	4%	5%	6%	7%	8%
	\$4.00	3%	3%	4%	5%	6%	7%	8%	9%	10%	11%
	\$5.00	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%
	\$6.00	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%
	\$7.00	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%

### Available on Current Bank Credit Facility [SMM]

Available on Current Bank Credit Facility [SMM]											
WTI (US\$/bbl)											
	\$30	\$40	\$50	\$60	\$70	\$80	\$90	\$100	\$110	\$120	

# Action Note

Equity Research

November 2, 2023

## Exhibit 7. Summary

Company Overview				
Market Capitalization (\$mm)	\$25,388			
Net Debt (\$mm)	\$916			
<b>Enterprise Value (\$mm)</b>	<b>\$26,304</b>			
Current Price	\$73.57			
52 Week Low/High	\$52.34	\$84.10		
Current Yield	2%			

Production				
Crude Oil & NGLs (bbl/d)	112,459	118,069	141,076	147,675
Heavy Oil (bbl/d)	0	0	0	0
Total Liquids (bbl/d)	112,459	118,069	141,076	147,675
Natural Gas (mcf/d)	2,330,234	2,412,029	2,784,688	2,927,398
<b>Total Production (BOE/d)</b>	<b>500,831</b>	<b>520,074</b>	<b>605,191</b>	<b>635,575</b>
% Gas	78%	77%	77%	77%

Growth				
Y/Y Production Growth	14%	4%	16%	5%
Y/Y Production Per Share Growth	5%	3%	13%	5%
Y/Y DAPPS Growth	9%	1%	12%	5%

Pricing Assumptions				
WTI (US\$/bbl)	\$94.50	\$80.00	\$80.00	\$75.00
Edmonton Par (C\$/bbl)	\$119.75	\$104.00	\$101.75	\$93.00
WCS (C\$/bbl)	\$68.50	\$98.75	\$83.75	\$83.25
Nymex (US\$/mcf)	\$6.40	\$2.60	\$3.40	\$3.90
AECO (C\$/mcf)	\$5.45	\$2.80	\$2.95	\$3.60
Exchange Rate (US\$/C\$)	\$0.77	\$0.74	\$0.77	\$0.78

Corporate Netback (\$/BOE)				
Revenue	\$47.52	\$34.42	\$33.99	\$33.24
Hedging	(\$4.84)	\$2.75	\$1.69	\$0.94
Royalties	(\$6.10)	(\$3.74)	(\$3.50)	(\$3.72)
Transportation	(\$4.92)	(\$5.13)	(\$4.91)	(\$4.90)
Operating	(\$4.30)	(\$4.61)	(\$4.26)	(\$4.25)
<b>Operating Netback</b>	<b>\$27.36</b>	<b>\$23.68</b>	<b>\$23.00</b>	<b>\$21.30</b>
G&A	(\$0.57)	(\$0.69)	(\$0.60)	(\$0.57)
Interest Expense	(\$0.16)	(\$0.17)	(\$0.23)	(\$0.18)
Cash Taxes and Other	\$0.08	(\$2.57)	(\$1.92)	(\$2.43)
<b>Cash Flow Netback</b>	<b>\$26.72</b>	<b>\$20.24</b>	<b>\$20.25</b>	<b>\$18.12</b>

Per Share Metrics				
WA Outstanding Shares (diluted)	342.1	345.5	355.5	355.5
CFPS (diluted)	\$14.28	\$11.12	\$12.58	\$11.82
EPS (diluted)	-	-	-	-
2P NAV		\$83.92		

Key Valuation Ratios				
P/CF (x)	5.2x	6.6x	5.8x	6.2x
EV/DACF (x)	5.2x	7.2x	6.1x	6.5x
EV/Production (\$000/BOE/d)	\$51,507	\$53,373	\$45,352	\$43,179
EV/1P Reserves (\$/BOE)	\$11.11			
EV/2P Reserves (\$/BOE)	\$5.20			
P/NAV (2P)		88%		
FCF Yield	-	9%	10%	9%

Leverage				
Bank Debt/(Cash) (\$mm)	171	686	375	371
Term Debt (\$mm)	448	449	449	449
Net Debt (\$mm)	519	1,601	1,290	1,287
Net Debt-CF (x)	0.1x	0.4x	0.3x	0.3x
Credit Facility (\$mm)	2,550	2,550	2,550	2,550
% Drawn	7%	27%	15%	15%
Dividend PoR (%) (Pre-DRIP)	54%	58%	41%	37%
Dividend PoR (%) (Post-DRIP)	54%	58%	41%	37%
Corporate PoR (%) (Pre-DRIP)	89%	108%	91%	98%
Corporate PoR (%) (Post-DRIP)	89%	108%	91%	98%

Cash Flow Summary (\$mm)				
<b>Funds Flow from Operations</b>	<b>4,884</b>	<b>3,843</b>	<b>4,474</b>	<b>4,203</b>
Debt-Adjusted Cash Flow	4,914	3,875	4,524	4,246
<b>Investing Activities</b>				
Exploration and Development	(1,677)	(1,925)	(2,250)	(2,550)
Acquisitions/Divestitures	(202)	(809)	(95)	(95)
<b>Total Capital Expenditures</b>	<b>(1,879)</b>	<b>(2,734)</b>	<b>(2,345)</b>	<b>(2,645)</b>
<b>Financing Activities</b>				
Change in Net Debt	(471)	1,082	(311)	(3)
Dividends	(2,653)	(2,230)	(1,818)	(1,555)
DRIP	0	0	0	0
Other Share Issue Proceeds	0	10	0	0
<b>EBITDA</b>	<b>4,926</b>	<b>4,349</b>	<b>4,916</b>	<b>4,775</b>

CFPS (diluted)				
Q1	\$3.18	\$3.28	\$3.44	\$3.13
Q2	\$3.95	\$2.28	\$2.94	\$2.74
Q3	\$3.06	\$2.55	\$2.87	\$2.76
Q4	\$4.08	\$3.01	\$3.34	\$3.20
Annual	\$14.28	\$11.12	\$12.58	\$11.82

Quarterly Production (BOE/d)				
Q1	507,059	525,916	578,623	632,233
Q2	502,937	495,918	605,630	643,709
Q3	481,897	502,524	605,586	628,310
Q4	511,590	555,803	630,641	638,064
Annual	500,831	520,074	605,191	635,575

\*Current yield excludes historical and forecasted special dividends.

Source: Company reports, TD Securities Inc. estimates.

# Action Note

## Equity Research

November 2, 2023

### TD Securities Equity Research Disclosures

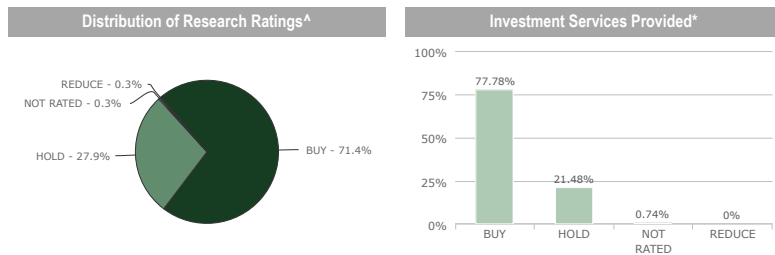
Company	Ticker	Disclosures
Tourmaline Oil Corp.	TOU-T	9

1. TD Securities Inc., TD Securities (USA) LLC or an affiliated company has managed or co-managed a public offering of securities within the last 12 months with respect to the subject company.
2. TD Securities Inc., TD Securities (USA) LLC or an affiliated company has received compensation for investment banking services within the last 12 months with respect to the subject company.
3. TD Securities Inc., TD Securities (USA) LLC or an affiliated company expects to receive compensation for investment banking services within the next three months with respect to the subject company.
4. TD Securities Inc., TD Securities (USA) LLC or an affiliated company has provided investment banking services within the last 12 months with respect to the subject company.
5. A long position in the securities of the subject company is held by the research analyst, by a member of the research analyst's household, or in an account over which the research analyst has discretion or control.
6. A short position in the securities of the subject company is held by the research analyst, by a member of the research analyst's household, or in an account over which the research analyst has discretion or control.
7. A long position in the derivative securities of the subject company is held by the research analyst, by a member of the research analyst's household, or in an account over which the research analyst has discretion or control.
8. A short position in the derivative securities of the subject company is held by the research analyst, by a member of the research analyst's household, or in an account over which the research analyst has discretion or control.
9. TD Securities Inc. and/or an affiliated company is a market maker, or is associated with the specialist that makes a market, in the securities of the subject company.
10. TD Securities Inc. and/or affiliated companies own 1% or more of the equity securities of the subject company.
11. A partner, director or officer of TD Securities Inc., TD Securities (USA) LLC or an affiliated company, or a research analyst involved in the preparation of this report has, during the preceding 12 months, provided services to the subject company for remuneration.
12. This security has Subordinate voting shares.
13. This security has Restricted voting shares.
14. This security has Non-voting shares.
15. This security has Variable voting shares.
16. This security has Limited voting shares.

### Additional Important Disclosures

#### Price Graphs

Full disclosures for all companies covered by TD Securities can be viewed at <https://portal.tdsecurities.com/alpha/important-disclosures> by TD Securities' institutional equity clients.



Current as of: November 2, 2023

<sup>^</sup> Percentage of subject companies under each rating category: BUY (covering ACTION LIST BUY, BUY and SPECULATIVE BUY ratings), HOLD, and REDUCE (covering TENDER and REDUCE ratings) and NOT RATED (covering UNDER REVIEW, SUSPENDED, and NOT RATED).

<sup>\*</sup> Percentage of subject companies within each of the four categories (BUY, HOLD, REDUCE, and NOT RATED) for which TD Securities Inc. has provided investment banking services within the last 12 months.

### Definition of Research Ratings

**ACTION LIST BUY:** The stock's total return is expected to exceed a minimum of 15% (with higher thresholds for less liquid, more risky securities) over the next 12 months and it is a top pick in the Analyst's sector.

**BUY:** The stock's total return is expected to exceed a minimum of 10% (with higher thresholds for less liquid, more risky securities) over the next 12 months.

**SPECULATIVE BUY:** The stock's total return is expected to exceed a minimum of 30% over the next 12 months (with higher thresholds for less liquid securities); however, there is material event risk associated with the investment that could result in a significant loss.

**HOLD:** The stock's total return is expected to be between 0% and 10%, (with higher thresholds for less liquid, more risky securities) over the next 12 months.

**TENDER:** Investors are advised to tender their shares to a specific offer for the company's securities or to support a proposed combination reflecting our view that a superior offer is not forthcoming.

**REDUCE:** The stock's total return is expected to be negative over the next 12 months.



# Action Note

## Equity Research

November 2, 2023

**SUSPENDED:** Due to evolving circumstances, we can no longer generate what we consider a defensible target price and rating at the current time.

**UNDER REVIEW:** Our rating is under review pending additional information and/or analysis. The prior rating should not be relied on.

**NOT RATED:** We do not currently produce a recommendation and a target price on this security.

Risk ratings are relative to other companies in the TD Securities Equity Research coverage universe. In order of increasing risk, our risk ratings are LOW, MEDIUM, HIGH, and SPECULATIVE. These risk ratings are not meant to be compared to ratings on other securities and asset classes outside our Equity Research coverage universe.

Overall Risk Rating in order of increasing risk: Low (7.0% of coverage universe), Medium (41.2%), High (42.2%), Speculative (9.6%)

### Research Dissemination Policy

TD Securities makes its research products available in electronic and/or printed formats. If there are any subsequent material changes to the reports it publishes, TD Securities will as soon as practicable distribute such reports with the relevant changes to its institutional clients who are entitled to receive them. Entitled institutional clients may also receive our research via third-party platforms including, but not limited to, Bloomberg, FactSet, Refinitiv, and S&P Capital IQ. All research is available by password to entitled institutional clients at <https://portal.tdsecurities.com/alpha> TD Securities may also update proprietary models; these models may be obtained by entitled institutional clients by contacting the research analyst directly. There is no planned frequency of updates to these models.

### Analyst Certification

Each analyst of TD Securities Inc. whose name appears on page 1 of this research report hereby certifies that (i) the recommendations and opinions expressed in the research report accurately reflect the research analyst's personal views about any and all of the securities or issuers discussed herein that are within the analyst's coverage universe and (ii) no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the provision of specific recommendations or views expressed by the research analyst in the research report.

### Disclaimer

**THIS RESEARCH REPORT WAS PRODUCED SOLELY BY TD SECURITIES INC.**

This material is for general informational purposes only and is not investment advice nor does it constitute an offer, recommendation or solicitation to buy or sell a particular financial instrument. It does not have regard to the specific investment objectives, financial situation, risk profile or the particular needs of any specific person who may receive this material. No representation is made that the information contained herein is accurate in all material respects, complete or up to date, nor that it has been independently verified by TD Securities. Recipients of this analysis or report are to contact the representative in their local jurisdiction with regards to any matters or questions arising from, or in connection with, the analysis or report.

Historic information regarding performance is not indicative of future results and investors should understand that statements regarding future prospects may not be realized. All investments entail risk, including potential loss of principal invested. Performance analysis is based on certain assumptions, the results of which may vary significantly depending on the modelling inputs assumed. This material, including all opinions, estimates and other information, constitute TD Securities' judgment as of the date hereof and is subject to change without notice. The price, value of and income from any of the securities mentioned in this material can fall as well as rise. Any market valuations contained herein are indicative values as of the time and date indicated. Such market valuations are believed to be reliable, but TD Securities does not warrant their completeness or accuracy. Different prices and/or valuations may be available elsewhere and TD Securities suggests that valuations from other sources be obtained for comparison purposes. Any price or valuation constitutes TD Securities' judgment and is subject to change without notice. Actual quotations could differ subject to market conditions and other factors.

TD Securities disclaims any and all liability relating to the information herein, including without limitation any express or implied representations or warranties for, statements contained in, and omissions from, the information. TD Securities is not liable for any errors or omissions in such information or for any loss or damage suffered, directly or indirectly, from the use of this information. TD Securities may have effected or may effect transactions for its own account in the securities described herein. No proposed customer or counterparty relationship is intended or implied between TD Securities and a recipient of this document.

TD Securities makes no representation as to any tax, accounting, legal or regulatory issues. Investors should seek their own legal, financial and tax advice regarding the appropriateness of investing in any securities or pursuing any strategies discussed herein. Investors should also carefully consider any risks involved. Any transaction entered into is in reliance only upon the investor's judgment as to financial, suitability and risk criteria. TD Securities does not hold itself out to be an advisor in these circumstances, nor do any of its representatives have the authority to do so.

The information contained herein is not intended for distribution to, or use by, any person in any jurisdiction where such distribution or use would be contrary to applicable law or regulation or which would subject TD Securities to additional licensing or registration requirements. It may not be copied, reproduced, posted, transmitted or redistributed in any form without the prior written consent of TD Securities.

If you would like to unsubscribe from our email distribution lists at any time, please contact your TD Securities Sales Contact. If you are located in Europe, Asia, Australia or New Zealand you may also unsubscribe by emailing us at [Privacy.EAP@tdsecurities.com](mailto:Privacy.EAP@tdsecurities.com).

You can access our Privacy Policy here ([http://www.tdsecurities.com/tds/content/AU\\_PrivacyPage](http://www.tdsecurities.com/tds/content/AU_PrivacyPage)).

**Australia:** If you receive this document and you are domiciled in Australia, please note that it is intended to be issued for general information purposes only and distributed to a person who is a wholesale client, as defined in the Corporations Act 2001 and Corporations Regulations 2001, by Toronto Dominion (South East Asia) Limited ("TDSEA"). TDSEA does not hold itself out to be providing financial advice in these circumstances. TD Securities is a trademark and represents certain investment dealing and advisory activities of The Toronto-Dominion Bank and its subsidiaries, including TDSEA. The Toronto-Dominion Bank is not an authorized deposit-taking or financial services institution in Australia. TDSEA is a holder of an Australian Financial Services License (528885) and is regulated in Australia by the Australian Securities and Investments Commission.

**Canada:** Canadian clients wishing to effect transactions in any security discussed herein should do so through a qualified salesperson of TD Securities or TD Securities Inc. TD Securities Inc. is a member of the Canadian Investor Protection Fund. TD Securities Inc. is regulated by Canadian Investment Regulatory Organization (CIRO).

**China, India and South Korea:** Insofar as the document is received by any persons in the People's Republic of China ("PRC"), India and South Korea, it is intended only to be issued to persons who have the relevant qualifications to engage in the investment activity mentioned in this document. The recipient is responsible for obtaining all relevant government regulatory approvals/licenses themselves, and represents and warrants to TD Bank that the recipient's investments in those securities do not violate any law or regulation, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations. The Toronto-Dominion Bank has a representative office in Shanghai, Mumbai and Seoul which should be contacted for any general enquiry related to The Toronto-Dominion Bank or its business. However, neither any of the Toronto-Dominion Bank offshore branches/subsidiaries nor its representative offices are permitted to conduct business within the borders of the PRC, India and South Korea. In locations in Asia where the Bank does not hold licenses to conduct business in financial services, it is not our intention to, and the information contained

# Action Note

## Equity Research

November 2, 2023

in this document should not be construed as, conducting any regulated financial activity, including dealing in, or the provision of advice in relation to, any regulated instrument or product. This publication is for general information only, without addressing any particular needs of any individual or entity, and should not be relied upon without obtaining specific advice in the context of specific circumstances.

**Hong Kong SAR (China):** This document, which is intended to be issued in Hong Kong SAR (China) ("Hong Kong") only to Professional Investors within the meaning of the Securities and Futures Ordinance (the "SFO") and the Securities and Futures (Professional Investor) Rules made under the SFO, has been distributed through Toronto-Dominion Bank, Hong Kong Branch, which is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission.

**Japan:** For Japanese residents, please note that if you have received this document from Toronto-Dominion Bank entities based outside Japan, it is being provided to qualified financial institutions ("QFI") only under a relevant exemption to the Financial Instruments and Exchange Act.

If you have received this document from TD Securities (Japan) Co., Ltd., it is being provided only to institutional investors. TD Securities (Japan) Co., Ltd. is regulated by the Financial Services Agency of Japan and is distributing this document in Japan as a Type 1 Financial Instruments Business Operator registered with the Kanto Local Finance Bureau under registration number, Kinsho 2992, and a member of Japan Securities Dealers Association.

**New Zealand:** The Toronto-Dominion Bank is not a "registered bank" in New Zealand under the Reserve Bank Act 1989.

**Singapore:** This report is distributed in Singapore by The Toronto-Dominion Bank, Singapore Branch, and recipients in Singapore of this report are to contact The Toronto-Dominion Bank, Singapore Branch in respect of any matters arising from, or in connection with, this report. The Toronto-Dominion Bank, Singapore Branch is regulated by the Monetary Authority of Singapore. Where this report is issued or promulgated in Singapore, it is only intended for distribution to a person who is an accredited investor, expert investor or institutional investor as defined in the Securities and Futures Act (Cap. 289) or the Securities and Futures (Prescribed Specific Classes of Investors) Regulations 2005 issued by the Monetary Authority of Singapore.

**United Kingdom and Europe:** The Toronto-Dominion Bank and TD Bank Europe Limited are regulated for investment business conducted in the UK by the UK Financial Conduct Authority. TD Global Finance unlimited company is regulated for investment business conducted in Ireland by the Central Bank of Ireland. This document is prepared, issued or approved for issuance in the UK by the Toronto-Dominion Bank, TDBEL and/or in Europe by TD Global Finance unlimited company in respect of investment business. Insofar as the document is issued in or to the United Kingdom, it is intended only to be issued to persons who (i) are persons falling within Article 19(5) ("Investment professional") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("High net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated. Insofar as the document is issued in or to the European Union, it is intended only to be issued to persons categorised as 'Per Se Professional' or 'Eligible Counterparties' as defined in S.I. No 375 of 2017, European Union (Markets in Financial Instruments) Regulations 2017, Schedule 2. Clients in the United Kingdom wishing to effect transactions in any security discussed herein should do so through a qualified salesperson of TD Bank Europe Limited. European clients wishing to effect transactions in any security discussed herein should do so through a qualified salesperson of TD Global Finance unlimited company. Article 20 Market Abuse Regulation 596/2014 ("MAR") requires market participants who produce or disseminate Investment Recommendations or other information recommending or suggesting an investment strategy to take reasonable care that such information is objectively presented, and to disclose their interests or indicate conflicts of interest.

In accordance with the MAR requirements, see the Investment Recommendations Disclaimer for relevant information in relation to The Toronto-Dominion Bank – London Branch, TDBEL and TD Global Finance unlimited company. <https://www.tdsecurities.com/tds/document/MAR-IR-Disclaimer>

**United States:** U.S. clients wishing to effect transactions in any security discussed herein must do so through a registered representative of TD Securities (USA) LLC.

TD Securities is a trademark of TD Bank and represents TD Securities Inc., TD Securities (USA) LLC and TD Securities Limited and certain investment and corporate banking activities of TD Bank and its subsidiaries. TD Cowen is a division of TD Securities and is the name under which Cowen and Company, LLC and certain entities that fall under the brand TD Securities conduct certain of its businesses.

© Copyright 2023 The Toronto-Dominion Bank. All rights reserved.

Full disclosures for all companies covered by TD Securities can be viewed at <https://portal.tdsecurities.com/alpha/important-disclosures>