

NEW COURSES ADDED



VERITAS
Investment Research

Advanced Accounting Training

With Dmitry Khmelnsky

sales@veritascorp.com



2025 Editions

NEW COURSES AVAILABLE

We are proud to offer two new courses from our Head of Accounting, Dmitry Khmelnitsky.

1. **Flammable Items**
2. **Ethics in Accounting: The Thin Line**

For over twenty years, we've been offering this kind of specialized forensic research training for investors and business professionals, helping them make better investment and business decisions.

We like to think of our training as more than just accounting courses - they are strategic toolkits for uncovering financial insights and mitigating risk.



Why Take Veritas Training?

The objective of our training is to help you make better business and investment decisions. Participants benefit from our experience in identifying blow-ups often long before they occur.



VERITAS
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2025 Edition



FLAMMABLE ITEMS

We have a saying at Veritas: The details don't matter until they matter.

And when they matter, they matter a lot.

Over the past quarter century, we've seen too many cases where the market ignored the details only to regret it later. The warning signs are always there, but the stock's ascent often covers any concerns until it's too late.

Although it is difficult to identify the spark that will light the flammable items, we know that as the economy gets longer in the tooth and the markets continue to levitate, identifying the flammable items is the secret to capital preservation.

Through real-world examples and a forensic lens, this course illuminates the hidden risks and opportunities within complex accounting practices.

See the next page for the specific agenda and companies covered.



Flammable Items 2025

AGENDA

- Understanding the forensic analytical framework;
- Manipulating Leverage and Enterprise Value metrics;
- EBITDA/earnings pitfalls;
- Related party transaction risks;
- Accounting estimates and assumptions changes;
- Non-controlling interest;
- Cash flow games;
- IFRS vs. US GAAP pitfalls;
- Predicting dividend cuts;
- Normalizing cross-company comparability;
- Other risks: management comp; delayed filings/auditor change, risk factors in MD&A.

Time commitment: About 2.5 hours



COMPANIES DISCUSSED

- | | |
|---|---|
| • Advanced Auto Parts (NYSE: AAP) | • Icahn Enterprises (NASDAQ: IEP) |
| • Alphabet Inc. (NASDAQ: GOOG) | • Lightspeed Commerce Inc. (TSX: LSPD) |
| • BCE Inc. (NYSE, TSX: BCE) | • Loblaw (TSX: L) |
| • Brookfield Corporation (NYSE, TSX: BN) | • MEG Energy (TSX: MEG) |
| • Brookfield Renewable Corporation (TSX: BEP) | • Microsoft Corporation (NYSE: MSFT) |
| • Canadian Natural Resources (NYSE, TSX: CNQ) | • Nortel Networks |
| • Chemours Company (NYSE: CC) | • NVIDIA Corporation (NASDAQ: NVDA) |
| • CI Financial (TSX: CIX) | • Quebecor Inc. (TSX: QBR.b) |
| • Cogeco Communications Inc. (TSX: CCA) | • Rogers Comms. (NYSE: RCI, TSX: RCI.b) |
| • Dream Office (TSX: D.un) | • Suncor Energy (NYSE, TSX: SU) |
| • Dun & Bradstreet (NYSE: DNB) | • Super Micro Computer (NASDAQ: SMCI) |
| • Emera Incorporated (TSX: EMA) | • Telus Corporation (NYSE: TU, TSX: T) |
| • Empire Company Limited (TSX: EMP.a) | • Veren Inc. (TSX: VRN) |
| • Fairfax Financial (TSX: FFH) | • Vermillion Energy Inc. (NYSE, TSX: VET) |
| • George Weston (TSX: WN) | |
| • GFL Limited (NYSE, TSX: GFL) | |



VERITAS
Investment Research

2025 Edition

ACCOUNTING ETHICS: THE THIN LINE



In today's increasingly complex business landscape, the difference between illegal fraud and aggressive-yet-legal accounting is not as clear-cut as many might think.

At their core, both involve exploiting accounting loopholes and grey areas, undermining the fundamental intent of regulatory standards.

It's also not just one or two bad actors that pull it off. Everyone, including management, auditors, lawyers, bankers, and boards, plays a role in this process.

This course is tailored specifically for CPAs, CFAs, financial professionals, and investors. It equips you with the necessary tools to identify ethical conflicts in accounting and financial reporting as they relate to protecting your investment.

By the end of this course, you will have developed a forensic mindset and an analytical lens that enable you to decode management communications, bringing to light the underlying truths behind financial disclosures and accounting practices.

Highlights:

- Investigating the motivations behind corporate misconduct.
- Understanding the role and limitations of auditors.
- Noteworthy trends in audit quality and the financial statement areas most impacted.
- Common threads among high-profile board failures.
- Recognizing warning signs in management's responses to scrutiny.
- Sell-side biases.

Case Studies:

We will review case studies where questionable ethical decisions obscured risks and resulted in significant investment losses. Case studies include:

- Enron: The critical governance weaknesses at Enron continue to be alarmingly relevant for today's investors.
- Super Micro Computer, Inc.: Observable red flags in their 10-K disclosures, corporate governance, and auditing practices.
- Wirecard AG: Allegations from the Financial Times and whistleblowers that were ignored, along with deficient management rebuttals and lessons learned from KPMG's expert report.
- The Carillion Collapse: Poorly disclosed supply chain financing, management incentives, and both GAAP and non-GAAP performance metrics that obscured the company's true financial health and ultimately led to its destruction.

INSTRUCTOR

Dimitry Khmelnitsky
CPA, CA
Vice President
Head of Accounting & Special Situations

Dimitry is Head of the Accounting & Special Situations Group, focusing on organizations that pose a financial risk. He is also Head of Training, helping our clients and their analysts on analyzing complex accounting issues. Brendon Wood International awarded Dimitry a TopGun sell-side analyst designation for 2024-2025, as our clients rated his coverage in the top decile of world standards. According to Brendon Wood, he was the #3 ranked Analyst for Special Situations in Canada in 2020, #1 in 2019 and #3 in 2018.

Prior to joining Veritas in 2006, Dimitry was at Ernst & Young in their assurance practice. Dimitry is a Chartered Professional Accountant and holds a BBA from York University's Schulich School of Business. He has been a part-time accounting instructor in the Program where he taught Financial Accounting. Dimitry has also been involved in CPA Canada's professional development program, where he taught the CPA Canada In-depth GAAP course, dealing with complex accounting topics.



WHO IS OUR TRAINING FOR?

Over the past twenty years, we have trained regulators, portfolio managers, enforcement officers, business professionals, bank lending professionals, legal professionals, investment advisors, accountants, university students and individual investors.

ACCREDITATION

All Veritas training courses meet mandatory professional development requirements for CPA and CFA designations.

Certificates for professional continuing education credits can be obtained upon request.

MORE CUSTOMIZED AND GROUP TRAINING OPTIONS

We can tailor courses for groups and organizations. We can discuss specific sectors or companies of interest, and adapt our curriculum around your organization's specific investment or business needs.

Other modules that we've delivered to clients in the past (not available for replay).

Module Library:

- Reading Financial Statements Like a Forensic Accountant
- Avoiding the Bombs
- Acquisition Accounting: Explosive Growth or Ticking Time Bomb?
- Understanding Stock Option Accounting
- Understanding & Using Non-GAAP Metrics
- Secrets of Free Cash Flow

Each module varies from 1.0 to 4.0 hours



Testimonials

100% of participants have told us they would take another Veritas course.

"I love their passion and how they dig into the details."

"Anthony and Dimitry are very engaging and they make accounting interesting!"

"Become an expert in finding out the bombs."

"A great tool for what to look out for."

"It helps study certain aspects of financial history that are sure to repeat themselves."

"I now feel more comfortable screening for, recognizing and calling out red flags."

"Good for key takeaways you can apply to your investment process without being too time-consuming."

Module Library

READING FINANCIAL STATEMENTS LIKE A FORENSIC ACCOUNTANT

The absolute starting point for all financial statement users.

- Inside the head of a convicted fraudster
- Understand the limitations of audit
- Learn how to separate business prowess from accounting prowess
- Learn the step-by-step process to detect warning signs and analyze financial disclosure
- Where to look
- Introduction to interpreting Non-GAAP measures, earnings and cash flow manipulation and common accounting pitfalls

Key Takeaways

- Accounting red flags
- Questions to ask management to see what they are trying to hide

AVOIDING THE BOMBS

This is a post-mortem class that digs into three of the largest accounting scandals in Canada: Valeant, SinoForest and SNC-Lavalin. Ensure you do not get caught repeating history.

- Review financial statements and other disclosures from Valeant, Sino Forest and SNC
- What were the warning signs?
- Where to look in the financial statements to find the details
- Understanding the role of non-financial information
- How to enhance your due diligence process and risk management tools.

Accounting Issues Covered

- Revenue Recognition
- Business Combinations
- Fair Value Reporting
- Provisions and Contingencies

Key Takeaways

- Learn to minimize surprises by proactively identifying the key risks that could lead to a bomb
- Learn how to design the right questions for management and understand their responses

Module Library Continued

ACQUISITION ACCOUNTING: EXPLOSIVE GROWTH OR TICKING TIME BOMB?

History has shown that seldom do companies realize enough cost savings to cover the premium they have paid for an acquisition. In roughly half of the transactions, annual total shareholder returns are, on average, negative 2%. Is it different this time?

- Learn how to parse through accounting disclosures to identify key operating trends
- Make sense of consolidated financial statements
- Common 'red flags' using real life examples from major North American companies - past and present
- Calculate true organic growth
- Understand the purchase price equation

Key Takeaways

Develop a practical approach to identify common 'red flags' using real-life examples from major North American companies - past and present

UNDERSTANDING STOCK OPTION ACCOUNTING

Stock options have garnered varying attention over time. Yet the argument continues unabated over how to account for the costs.

- Learn how different options are valued and accounted for
- Understand the cash flow implications
- Learn how to include the expense for analytical and valuation purposes

Key Takeaways

Develop a practical approach to incorporating share-based compensation in valuation

Module Library Continued

UNDERSTANDING & USING NON-GAAP METRICS

The use of non-GAAP metrics has grown exponentially among North American reporting issuers. The situation today is at the point where non-GAAP metrics have largely supplanted audited GAAP results and are more often used for decision-making. We delve into the most common adjustments being used and provide a framework for modelling and valuation purposes.

- Non-GAAP reporting framework: key considerations
- Problems with EBITDA and Free Cash Flow
- How to think about most common adjusting items: Capex; Stock options; Restructuring; Acquisitions; Taxes; Other costs; Working capital and Discontinued operations
- The link between non-GAAP metrics and executive compensation

Key Takeaways

- Understanding the impact non-GAAP metrics have on financial reporting and executive compensation.
- How to incorporate 'non-recurring', 'unusual' and 'non-cash' items in valuations.
- Questions financial statement users can incorporate into their normal due diligence process to assess the validity of certain adjustments proposed by management.
- Approaches that can be taken to incorporate management compensation into company analysis.

THE SECRETS OF FREE CASH FLOW

"Revenue is vanity, profit is sanity, but cash is king."

That well-known statement rings particularly true in today's markets, where capital costs are high and the liquidity taps are tight.

Unfortunately for investors, there are multiple ways of measuring cash flow. Worse yet, management teams have numerous ways of obscuring free cash flow calculations and making it look like there is more cash flow than there actually is.

This course will give you the tools to ask the right questions, identify warning signs and make adjustments to management's non-GAAP free cash flow calculations (FCF) so you can verify how much free cash flow there is.

Agenda

- FCF: key non-GAAP metric;
 - Cash flow myths
- Operating and free cash flow tricks: real-life examples
 - Intercompany comparability
 - Maintenance capex considerations
- Incorporating 'unusual' costs in cash flow analysis
- Stock-based compensation considerations
 - Warning signs
- 10 Questions for management.

Introducing VeritasU Academy

We've started building a library of online training modules on our new site , VeritasU Academy. It is Canada's leading online educational course provider in forensic accounting and investment research.

- **Analyzing Growth Companies**
With Dimitry Khmelnsky
- **Secrets of Free Cash Flow**
With Dimitry Khmelnsky
- **From Wall Street to Bay Street: The Evolution of Canadian and U.S. Banking**
With Christopher Kobrak and Joe Martin
- **Financial Forecasting and Analysis**
- **Staying Vigilant: Lessons in Accounting Distortions & Past Blowups**
With Dimitry Khmelnsky

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