

The Top 10 TSXV Tech Stocks of 2019

JANUARY 14, 2020 BY NICK WADDELL



WELL Health Technologies rings the opening bell at the Toronto Stock Exchange to celebrate graduating to the big board on Friday, January 10, 2020.

As one would guess to be the norm, there was a lot of upheaval on the junior exchange, as far as tech goes. Just one company, Sangoma, retained a spot in the top ten.

One notable observation about this year's list is the breadth of sectors and businesses represented, with everything from document management to fintech to IT, communications, gaming, marketing and EIM.

2019 was actually looking kind of middling for many of the companies on this list, but several were saved by strong finishes in the waning months of the last decade. In the end, it was a familiar name with a new venture that topped the list, as [multiple Cantech Letter Award winner Hamed Shahbazi](#) led the way with WELL Health Technologies.

To the rest of the names. (Please note we have omitted any company under ten cents or with a market cap under \$10-million.



WELL Health
TECHNOLOGIES CORP

1. **WELL Health Technologies** ([WELL Health Technologies Stock Quote, Chart, News TSX:WELL](#))

Market Cap: \$211 million

Closing Price on December 31, 2018: \$0.45

Closing Price on December 31, 2019: \$1.56

Percentage Change: +247%

Top honours goes to healthcare technology company Well Health Technologies, which shot up the charts about mid-year and never looked back.

CEO Hamed Shahbazi's next act after selling his Tio Networks to PayPal for \$304 million in 2017, Well Health has spent the past year acquiring EMR vendors across Canada where there is still room for plenty of consolidation — in an update to clients on Monday, Stifel Canada analyst Justin Keywood said that having already acquired ten assets since 2018, WELL is currently evaluating over 100 more with ten in the late stages.

Raising his 12-month target on the stock from \$2.35 to \$2.60, Keywood said that he has “increasing conviction” that Well Health will keep up the aggressive M&A plan that supports his high-growth forecasts for the company.

Last week, WELL graduated to the TSX Exchange.



2. **kneat.com** ([kneat.com Stock Quote, Chart, News TSXV:KSI](#))

Market Cap: \$176 million

Closing Price on December 31, 2018: \$0.98

Closing Price on December 31, 2019: \$2.74

Percentage Change: +180%

Software company kneat.com had a remarkable run over the fourth quarter of 2019 where the stock more than doubled from October to the end of the year. A Canadian company with operational headquarters in Limerick, Ireland, Kneat's Gx platform offers systems validation and document management, with Kneat displaying the strength of its platform last year through big, multi-year contract wins with a number of major pharmaceutical companies.

On Kneat's success, [Echelon Wealth analyst Gianluca Tucci wrote in a December 11 note to clients](#), "We continue to believe KSI is in the early innings of hitting its stride with its SaaS-based Kneat Gx platform, which addresses the challenge of data validation in the life sciences space. Since the start of 2018, KSI has signed a total of twelve customers and we believe has many of the top 15 pharma companies as customers today."

The logo for MediaValet features the word "media" in a bold, black, lowercase sans-serif font, followed by "valet" in a blue, lowercase sans-serif font. A small "TM" trademark symbol is positioned to the upper right of the "t" in "valet".

3. **MediaValet** ([MediaValet Stock Quote, Chart, News](#)
[TSXV:MVP](#))

Market Cap: \$33 million

Closing Price on December 31, 2018: \$0.45

Closing Price on December 31, 2019: \$1.19

Percentage Change: +164%

Another name that made huge strides over the final months of the year is Vancouver-based digital asset management company MediaValet, which caught investor attention in 2019 through increasing customer wins and a strong retention rate. After a share consolidation in early September and a pair of successful funding rounds, the stock gained a massive 170 per cent over November and December.

Last week, management announced a record fourth quarter in terms of customer adoption and expansion levels, picking up enterprise adoptions by government agencies along with customers in the entertainment and aerospace sectors.

“We are extremely proud of our customer performance metrics,” said founder and CEO David MacLaren in a January 8 press release. “They are a clear indication that the maturity and depth of our product offerings are being acknowledged by the market and our customer base.”



4. **Converge Technology Solutions** ([Converge Technology Solutions Stock Quote, Chart, News TSXV:CTS](#))

Market Cap: \$111 million

Closing Price on December 31, 2018: \$0.55

Closing Price on December 31, 2019: \$1.40

Percentage Change: +154%

Converge Technology wowed in its first full year on the TSXV through strong M&A and growth in recurring revenue from its hybrid IT solutions offered to small and medium-sized businesses. Proof of the company's success was on display in its latest earnings report in November where Converge grew its top line by 44 per cent to 144.5 million while spiking EBITDA to \$5.8 million from just \$0.2 million a year earlier.

In a November 22 update to clients, [Paradigm Capital analyst Kevin Krishnaratne upped his 12-month target price](#) to \$2.00 per share, saying that Converge is now well-aligned in the higher-margin hybrid cloud and managed services spaces to drive profit upside.

“Converge is pursuing a growth by acquisition strategy to consolidate the regional IT Services market, with plans to buy four to six Service Providers per year following the seven acquisitions it has completed since its founding in November 2016,” wrote Krishnaratne.



5. VersaPay ([VersaPay Stock Quote, Chart, News TSXV:VPY](#))

Market Cap: \$117 million

Closing Price on December 31, 2018: \$1.15

Closing Price on December 31, 2019: \$2.68

Percentage Change: +133%

Fintech name VersaPay fell hard over the last quarter of 2018 but the stock was rallying through 2019. Then came news in December that the invoice and payments company had a buyout offer from private equity firm Great Hill. The not-yet-finalized deal calls for VPY shareholders receive \$2.70 per share for a total of \$126 million, which represented a 47.5-per-cent premium to the stock's closing price pre-announcement.



6. Sangoma Technologies ([Sangoma Technologies Stock Quote, Chart, News TSXV:STC](#))

Market Cap: \$169 million

Closing Price on December 31, 2018: \$1.17

Closing Price on December 31, 2019: \$2.49

Percentage Change: +133%

Exposure to the dawning 5G network era continued to be an investment theme in 2019, one well-represented by Sangoma, a unified communications provider for SMB clients, which has returned a whopping 540 per cent over the past three years.

Sangoma impressed with a major acquisition of VoIP Innovations in October and has been steadfast in delivering strong revenue growth. With its latest earnings in November, STC has posted positive upside to revenue for now 19 straight quarters. Sangoma is the only company to make the TSXV Top Ten for the past two years.



Enthusiast Gaming

7. **Enthusiast Gaming Holdings** ([Enthusiast Gaming Holdings Stock Quote, Chart, News TSXV:EGLX](#))

Market Cap: \$142 million

Closing Price on December 31, 2018: \$1.00

Closing Price on December 31, 2019: \$2.07

Percentage Change: +107%

E-sports company Enthusiast completed a blockbuster deal in September which brought together entities J55 Capital, Luminosity Gaming and Aquilini GameCo under the Enthusiast roof. The move vaulted Enthusiast into the upper echelon of gaming companies in North America and helped the stock post handsome gains in its first full year of trading. Last month, Enthusiast, which aside from gaming websites and YouTube channels runs Canada's largest gaming expo, announced plans to graduate to the TSX.



8. **Kuuhubb** ([Kuuhubb Stock Quote, Chart, News TSXV:KUU](#))

Market Cap: \$31 million

Closing Price on December 31, 2018: \$0.31

Closing Price on December 31, 2019: \$0.62

Percentage Change: +100%

KUU has fallen a long way from highs set in 2017, but the stock still had the timing right in 2019 to come out with a double. The Helsinki-based lifestyle and mobile game company targets the female gaming audience with successful products like Recolor and My Hospital and has faced some challenges in recent years, including calls by shareholders for the board to resign after a tumultuous 2018. Management has promised a return to growing revenue in 2020.



9. **Ackroo** ([Ackroo Stock Quote, Chart, News TSXV:AKR](#))

Market Cap: \$14 million

Closing Price on December 31, 2018: \$0.10

Closing Price on December 31, 2019: \$0.19

Percentage Change: +90%

After hitting positive EBITDA in 2018, gift card and loyalty marketing company Ackroo made the most of 2019 by growing revenues by 18 per cent, through a key acquisition and by continuing its scaling up process. Looking back, Ackroo CEO Steve Levely said that the now-Hamilton-based company is executing to plan.

“Organically we made key advancements to our platform to support more point of sale integrations and to add more advanced business intelligence and digital marketing tools. Inorganically we acquired iQ724 from MOBI724 adding significant recurring revenue, over 400 merchant locations and intellectual property that will help us with current and prospective large clients in hospitality, retail and automotive,” [said Levely in a January press release.](#)



10. **Quorum Information Technologies** ([Quorum Information Technologies Stock Quote, Chart, News TSXV:QIS](#))

Market Cap: \$91 million

Closing Price on December 31, 2018: \$0.69

Closing Price on December 31, 2019: \$1.29

Percentage Change: +87%

Calgary-based Quorum, which runs an enterprise management platform for the automotive dealership sector, picked up the pace over the second half of the year as the fruits of recent acquisitions came to bear on the company's quarterly numbers. And with an oversubscribed bought deal closed in November, Quorum's M&A will likely continue into 2020.

Honourable Mention

AnalytixInsight (TSXV:ALY): +86

mCloud Technologies (TSXV:MCLD): +71%

ProntoForms (TSXV:PFM): +69%
Kraken Robotics (TSXV:PNG): +62%

Disclaimer: Nick Waddell and Jayson MacLean own shares of WELL Health and the company is an annual sponsor of the site.