



CONSULTING  
**HAUS**

**IPO / LISTING READINESS  
KEY CONSIDERATIONS**

**SEPTEMBER 2024**



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# 1. Why CH?

## HISTORICAL ACHIEVEMENTS

CH brings wealth of experience in executing projects ranging from corporate strategy, corporate finance, and corporate governance

### CONSULTING HAUS LLC: IN NUMBERS

 <p><b>40+</b> <b>STRATEGY</b> Appointed strategy advisors for 40+ clients spanning 15 sectors and three geographies</p>	 <p><b>250+</b> <b>FEASIBILITY STUDIES</b> Completed over 250 bankable feasibility studies</p>	 <p><b>120+</b> <b>Transaction advisory</b> Sell-side/buy-side advisors</p>
 <p><b>30+</b> <b>LISTING READINESS SUPPORT</b> Successfully consulted 30+ clients for and provided listing readiness support</p>	 <p><b>50+</b> <b>FINANCIAL DUE DILIGENCE ("FDD") PROJECTS</b> Involved in the FDDs of over 50 targets</p>	 <p><b>100+</b> <b>INTERNAL AUDIT ENGAGEMENTS</b> Completed 100+ internal audit engagements for clients operating in various sectors</p>
 <p><b>20+</b> <b>CORPORATE GOVERNANCE</b> Developed corporate governance frameworks for 20+ large business groups</p>	 <p><b>15+</b> <b>ESG</b> 10+ projects conducted across various ESG aspects for large corporates</p>	 <p><b>70%</b> <b>RE-OCCURRING CLIENT REVENUES</b> The quantum of repeat business is reflective of our exceptional quality</p>

<b>CORPORATE FINANCE</b>	<b>LISTING ADVISORY</b>
	<b>STRATEGY / BUSINESS REVIEW</b>
	<b>FEASIBILITY / BUSINESS PLAN</b>
	<b>VALUATION / DILIGENCE</b>
	<b>TRANSACTION SUPPORT</b>
<b>GOVERNANCE, RISK AND COMPLIANCE</b>	<b>CORPORATE GOVERNANCE</b>
	<b>ENTERPRISE RISK MANAGEMENT</b>
	<b>COMPLIANCE MANAGEMENT</b>
	<b>INTERNAL AUDIT &amp; QUALITY ASSESSMENT</b>
	<b>ESG</b>



# 1. Why CH?

## OUR VALUE PROPOSITION

Our regional offices have a proven track record in delivering complex assignments across the fields of corporate finance and corporate governance

### YOUR PATH TO SUCCESS

In the ever-evolving business landscape, success is not just about making the right decisions but also the best decisions. That's why intelligent entrepreneurs, executives, and companies turn to CH. Here's why people are choosing us as their trusted consulting partner:

#### EXPERTISE ACROSS INDUSTRIES

At CH, our consultants bring a wealth of experience from diverse industries. Whether you are in tech, finance, healthcare, or any other sector, our team has the knowledge and insights to guide you.

#### PROVEN TRACK RECORD

Our portfolio of successful projects and satisfied clients speaks volumes about our capabilities. We do not just talk about results; we deliver them.

#### TAILORED SOLUTIONS

We do not believe in one-size-fits-all. Our consultants work closely with you to understand your unique challenges and goals, crafting solutions tailored to your needs.

#### DATA-DRIVEN DECISIONS

In today's data-driven world, informed decisions are paramount. We leverage cutting-edge analytics and market research to provide the data you need to make confident choices.

#### INNOVATION AT ITS CORE

In a rapidly changing world, innovation is critical. We inspire creativity and innovation within your organization, helping you stay ahead of the competition.

#### STRATEGIC PLANNING

Our consultants are not just problem-solvers; they are strategic thinkers. We help you chart a course for the future, identifying opportunities for growth and mitigating risks.



# 1. Why CH?

## CH HAS SIGNIFICANT CAPITAL MARKETS EXPERIENCE

CH's comprehensive understanding of listing regulations makes us the go to choice for capital markets transactions in the country

### CURRENT CAPITAL MARKET PROJECTS ACROSS GCC

	Listing Advisor	Corporate Governance development	Business plan development	Valuation
<b>PROJECT ARCH</b> Real estate group (3 entities)		✓	✓	
<b>PROJECT TECH</b> Telecommunication group (2 entities)	✓	✓	✓	
<b>PROJECT LIGHT</b> IT and outsourcing group (3 entities)	✓	✓	✓	
<b>PROJECT INNATE</b> Leading catering and F&B group (4 entities)	✓	✓	✓	
<b>PROJECT RED</b> Local delivery platform (2 entities)			✓	✓
<b>PROJECT SKY</b> Large food supply chain group (8 entities)		✓	✓	
<b>PROJECT ZURICH</b> Financial Institution (1 entity)		✓	✓	✓
<b>PROJECT TRANSFORM</b> Large IT, outsourcing and services group (10+ entities)		✓		



## 2. Listing considerations

### FREQUENTLY ASKED QUESTIONS FOR POTENTIAL IPO/LISTING

There are many questions stakeholders have when considering a listing – several of the most commonly asked are detailed below

#### COMMON LISTING/IPO RELATED QUESTIONS...

1

#### What are the listing markets?

Every country offers one or more listing market platforms. The choice of which market is right for you will largely depend on several key factors including listing readiness, size and future growth aspirations. Shares are listed through a structured and organized listing process which typically takes from 6 – 12 months. Whilst the regulations across the GCC differ from one country to the next, there are significantly more similarities than differences.

2

#### Is my business large enough to be listed?

While certain markets stipulate that a company with any level of operational profits can be listed, investors typically prefer businesses that have a proven track record and strong equity story. It is also important to show a healthy level of retained earnings on the balance sheet which indicates to investors the dividend potential of the business.

3

#### What else do we need to have in place before being listed or for an IPO?

There are a number of legal, financial and governance related matters that a company needs to consider for a potential IPO or listing on the stock exchange. Your appointed listing advisor will support you to navigate through the critical phases of the IPO / listing journey. The first step, which can happen prior to the appointment of the listing advisor, is to undertake a listing readiness assessment. This assessment is a quick exercise that will highlight any gaps/weaknesses in your strategy, business plans and/or governance that must be filled prior to being listed.

4

#### What are the benefits of being listed or going for an IPO?

There are many benefits of being listed comprising of increased brand awareness, ability to liquidate shares, ability to raise capital from the market, corporatizing operations, cheaper sources of funding, increased access to strategic investors, supporting business continuity on so on. Every company will have its own priorities but it's definitely certain that the benefits outweigh the additional administrative and operational requirements of being a listed company.

5

#### How can we find out more about this listing / IPO journey?

You can contact a member of our team and arrange for a meeting to discuss the listing process and gain a firm understanding of the listing roadmap, timelines and associated costs of a successful listing.

## 2. Listing considerations

### IPO/LISTING CONSIDERATIONS

Ensuring that a company has all the right attributes to be listed will increase the success of the listing and the future performance of the share price

#### COULD AN IPO/LISTING BE THE RIGHT NEXT STEP?

- For many companies that have just started to consider going public, the key question is: could an IPO/Listing be the right next step?
- The preparation starts with the careful evaluation of pros and cons of an IPO/Listing, the potential use of proceeds and examination of alternatives. This is in line with the first questions from investors at an IPO/Listing road show: why are you going public and what is the use of IPO/Listing proceeds? Answering these fundamental questions is key to the success of an IPO/Listing.
- A successful listing can help your company unlock access to financing to complete a strategic acquisition, create opportunities to expand your business into new markets or provide an exit opportunity for your private equity or other investors. In addition, it can also improve perceptions of your business and brand with customers, suppliers and employees.
- While not all businesses are suited for life in the public eye, for many fast-growing private companies, an IPO/Listing can raise the capital needed to accelerate growth and achieve market leadership.

“The best reason to go public is not to exit. It isn't to get the going-public experience. It's because it's the right step in the path on which you're guiding your company.”

Co-founder of a regional pharmaceutical company

#### TYPICAL MOTIVATIONS FOR GOING PUBLIC





## 2. Listing considerations

### KEY LISTING SUCCESS FACTORS

Investors will decide whether they buy shares in the listing or not. Therefore, it is recommended that you view the listing from an investor's perspective and focus on the following key listing success factors

#### 01 **STRONG MANAGEMENT TEAM**

Investors will scrutinize management team to ensure capability of leading the company post listing

#### 02 **COMPELLING EQUITY STORY**

Purpose of the listing will need to reflect the future growth story of your company and assure investors regarding future dividend distributions

03

#### **BE LISTING READY**

Preparedness to listing is key to success to ensure all corporate finance and governance aspects are in line with regulatory and investor requirements

04

#### **FAIR PRICING**

While you will seek to maximize valuation, it is primary that investors yet see enough upside for them

05

#### **RIGHT TIMING**

Listing needs to be considered at the right timing of a company's journey





## 2. Listing considerations

### LISTING RATIONALE

There are many reasons to list a company on the stock exchange ranging from corporatization targets, succession planning and/or a desire to partly exit



### 3. Listing readiness overview

#### FOUR KEY PHASES IN A TYPICAL LISTING PROCESS

The time taken to execute the four key listing phases is dependent upon the company's listing readiness at the point the listing journey begins

#### LISTING PLANNING



9-12 months prior to listing

1 Evaluate strategic options and perform a listing readiness gap assessment

2 Set up resources and listing project management office

3 Complete the listing readiness remediation plan

#### LISTING PREPARATION



8-9 months prior to listing

4 Build the external listing team (lawyers, valuation, auditors and others)

5 Set the target listing timetable, start due diligence, valuation and legal restructuring

6 Fine-tune the equity story based on feedback from listing advisor and external listing team

#### LISTING TRANSACTION



1-8 months prior to listing

7 Prepare first draft of the listing information memorandum

8 Finalize legal structure and information memorandum

9 Finalize the submission file and seek initial approvals from regulators

10 Listing on the stock market in line with regulatory guidelines and approvals

#### BEING PUBLIC



Post - listing

11 Deliver on your promises as a public company that attracts more media attention

12 Mobilize investor relations and investor marketing based on the IR calendar

13 Manage investor expectations with efficient forecasting

14 Deliver high-quality external reporting, disclosures and corporate governance



### 3. Listing readiness overview

#### IPO/LISTING READINESS DIAGNOSTIC ASSESSMENT

A readiness assessment is a quick exercise that provides stakeholders with a detailed understanding of the steps required to be taken prior to be listed

##### WHAT IS A READINESS ASSESSMENT?

- Our readiness assessment covers all areas specific to the IPO/listing case: Strategy, structures, financials, internal systems, functions, leadership and the planned timeline.
- We work hand in hand with you to identify and discuss any gaps against the regulatory framework(s) and global best practices that need closing on your listing journey.
- We also discuss strategic funding considerations and develop an initial target structure and IPO/listing base case in line with your objectives. CH's listing readiness assessment can include up to nine modules tailored to your specific needs (as outlined overleaf). We compare the target structure with the current structure to reveal any gaps.
- By assessing the extent and nature of any gaps, we will report our findings for each of the above areas in one of the three following categories:
  - Immediate action required
  - Adjustments required
  - In place (no action required)
- We analyze these gaps in greater detail in individual follow-up workshops and clarify the time, content and resources required to close them. These results are then used to develop the plan for the work leading up to the listing.
- CH's readiness result report defines the strategy that lays the foundation for further discussions and multitrack readiness checkpoints, it presents the gaps between your current status and listing target-ready status and recommends work streams and a road map. It also estimates timelines and resources required to fill the gaps and achieve full listing readiness.
- CH can support the Client throughout the remedial phase and will be provide a second review at the end of this phase to ensure that all gaps have been addressed.



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##### HOW DOES IT ASSIST YOU?

- Identifies the issues and recommends logical action points/next steps
- Supports the company to plan and prioritize the action points to be listing ready
- Provides a measurable target for the company to meet or exceed depending on the exchange of listing
- Allows the company to benefit from knowledgeable professionals in the listing field and kick-start the transaction process with advisors who have been through it before
- Offers an independent opinion of the current listing status of the company



### 3. Listing readiness overview

#### LISTING READINESS – START LINE TO GOING PUBLIC

Key areas assessed during a listing readiness revolve around financial, legal, system and governance related aspects

1	<b>LISTING STRATEGY AND EQUITY STORY</b>	Prepare an equity story that is attractive to potential investors and supported by the business track record
2	<b>FINANCIAL TRACK RECORD</b>	Ensure that your historical financials are audited and well supported
3	<b>FORECASTING</b>	Early adoption of a forecast model which meets the valuation and working capital requirements of a listing
4	<b>LEGAL STRUCTURE</b>	To be listed, a company's holding / legal structure needs to be assessed in terms of its flexibility to host new investors and compliance to regulatory requirements
5	<b>BOARD STRUCTURE</b>	Board of directors and their committees are critical to the governance of the organization in achieving the strategic priorities with adequate oversight
6	<b>EXECUTIVE REMUNERATION</b>	A structured mechanism for the Board and senior management's remuneration and performance are essential for strong governance and encourages fair practices at an overall entity level
7	<b>FINANCIAL REPORTING</b>	Good FRP is fundamental to any transaction and key to good relationships with investors, through capturing high quality performance measures, with documenting the process as part of the finance policy with periodic reporting
8	<b>FUNCTIONS AND RESOURCES</b>	Sufficient skilled resource are required to ensure quality output and periodic progress update to the Board and senior management, especially for the key departments of internal audit, risk management, finance, HR and IT
9	<b>AUDIT, RISK &amp; COMPLIANCE</b>	A company going public must have a robust internal control framework by establishing sound audit, risk and compliance management practices



### 3. Listing readiness overview

## READINESS ASSESSMENT: QUESTIONS ANSWERED & REPORTING

CH's listing readiness assessment can typically be completed within a period of 5-6 weeks

#### THE READINESS DIAGNOSTIC FOCUSES ON THE FOLLOWING QUESTIONS:

- Have you developed a long-term business plan and timeline and how strong is the equity growth story?
- Have you assessed financial, accounting, tax, operational and IT processes systems and controls?
- What needs to be done to prepare robust and timely financial information for the business as required by the selected exchange
- What is the core value story and how supportable is this? How can it be made as robust as possible?
- What are the key pre-IPO value improvement opportunities and how could these be delivered?
- What are the key value erosion risks and how can these be mitigated pre-IPO to protect value?
- What needs to be done and factored into the plan to ensure a clean process without delay?
- What constraints are there that impact the IPO timetable and how can these be managed?

#### SPECIFIC CONSIDERATIONS

- 1 **SUCCESSFUL IPO**
- 2 **PROTECT THE BRAND**
- 3 **MEET IPO DEADLINES**
- 4 **PROTECT AND ENHANCE VALUE**
- 5 **INSTITUTIONAL ROBUSTNESS**

#### DELIVERABLES: IPO READINESS REPORT

- An executive summary report describing IPO readiness, gaps and action.
- Clear prioritization of issues in a detailed report.
- Recommendation for how these issues should be dealt with.
- An action plan of necessary operational changes structured by work streams.
- Key tasks with realistic deadlines that can be delivered within the required timeline.

The screenshots show a risk matrix and a detailed issue analysis table. The risk matrix has columns for 'Risk', 'Impact', 'Status', and 'Owner'. The detailed table below is as follows:

Issue ID	Issue Description	Impact	Status	Owner
1	Operational risk - lack of complete internal control systems	High	High	Finance
2	Financial risk - lack of complete internal control systems	High	High	Finance
3	Legal risk - lack of complete internal control systems	High	High	Legal
4	Operational risk - lack of complete internal control systems	High	High	Finance
5	Financial risk - lack of complete internal control systems	High	High	Finance
6	Legal risk - lack of complete internal control systems	High	High	Legal
7	Operational risk - lack of complete internal control systems	High	High	Finance

The detailed table also includes columns for 'Risk', 'Impact', 'Status', and 'Owner'. The status column shows 'High' for all issues. The owner column shows 'Finance', 'Legal', and 'Finance'.

A photograph of two people shaking hands in an office setting. The image is overlaid with a large, white-outlined geometric shape that resembles a stylized 'H' or a series of overlapping triangles. The text 'CONSULTING HAUS' is centered within the top-right portion of this shape. The background is a blurred office desk with papers and pens.

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