During a Workshop Organized by the Amman Stock Exchange Entitled "How to List in the Amman Stock Exchange"

September 28, 2020

- **Announcing technical and consultant support from the European Bank for Reconstruction and Development (EBRD) for companies that wishes to be listed in the ASE**

The ASE held a workshop entitled "how to list in the Amman Stock Exchange" in cooperation with the Jordan Securities Commission (JSC) and the European Bank for Reconstruction and Development (EBRD), through (Zoom) application. The ASE's CEO Mr. Mazen Wathaifi, the JSC's deputy chairman Dr. Omar Al-Zou'bi, the companies' general controller Dr. Wael Al-Armoti and the technical chief of the capital market development project Mr. Robert Senglary, therefore the workshop was led by the CEO deputy of Ithmar Invest PSC, Dr. Munther Zeidan in the presence of the ASE's board chairman Dr. Kamal Qudah, board directors and CEOs of a number of private joint-stock companies and limited liability companies.

The JSC's deputy chairman Dr. Omar Al-Zou'bi confirmed that the Road map project, which is implemented in cooperation with the European Bank for Reconstruction and Development (EBRD), contains more than 100 recommendations for developing the national capital market, as the JSC is following up its implementation in cooperation with the ASE and the Securities Depository Center (**SDC**).

Dr. Al-Zoabi reviewed the seven strategic objectives of the Road map, which are represented in reinforcing investors' interest in the ASE, making the market more attractive for securities exporters, directing capital market institutions to work according to the sector regulations, increasing the competitiveness of the financial brokerage sector, enhancing the operations and capabilities of the JSC, and providing more attractive investment options as well as rebuilding credibility and raising investor confidence in the financial market, noting that each of these objectives is reflected in a plan of action, programs and projects within specific timelines.

Worth to mention, in order to implement these recommendations, there's a need to have five working team, namely the Legal and Regulatory Team, the Tax Policy Group, the ASE's restructuring team, the ASE and SDC operations team, the Advisory Panel to structure the JSC's operations and the Investment Products team. In which each team performs tasks within their competence in collaboration with international financial market firms.

Dr. Al-Zou'bi pointed out that the investors attraction program aims at attracting successful companies or companies that have expanding investment aspirations to be listed in the ASE, and in

order to help them achieve a number of benefits, the most important of which are: Access to the required funding at a reasonable cost, access to technical expertise through strategic partners, increase marketing and pricing efficiency for shares, increase customer and shareholders base, increase capital market of the company, and facilitate the selling process for founders and partners.He concluded eventually saying, “The program will provide technical and advisory support from the EBRD to the companies that can be listed in the Amman Stock Exchange and show interest and listing capability, in addition, the program will offer preferential advantages by capital market institutions to companies that complete the listing process. Taking into consideration ease the listing procedures and making a list of companies that can be listed in the ASE.

In turn, the ASE’s CEO **Mr.** Mazen Wathaifi reviewed the functions of “The initial public offering roadmap for listing in the ASE". The initial public offering concept (**IPO**), the main requirements of IPO, and the benefits of listing, which are the most important of which is the possibility of obtaining finance in order to expand the company's business by expanding the investors base, creating an alternative to finance and reducing the risks of reliance on finance through the current limited partners, banks and financial institutions. To improve the company's image and position also to enhance the competitiveness of its products by disseminating its information in the daily, monthly and annual bulletins issued by the ASE and the relevant institutions, as well as the company's fair assessment and the ability to enhance the shareholders' wealth through positive interaction of the selling and buying demands and supply and demand with the positive performance of the company and its impact on its share price in the market. Listing enhances company credibility and trust by complying with the requirements of disclosure, governance, transparency, and disclosure of financial and non-financial information in the company at periods specified in the legislation.

As he also added, “The Company’s commitment to governance instructions enhances its performance and contributes to reducing the likelihood of corruption by separating ownership from management, defining responsibilities, accountability, internal control of the company and monitoring regulators. It also enhances business continuity opportunities and reduces the likelihood that future generations will be unable to meet challenges with the same ability and efficiency of first-generation management and performance.

Regarding to the main requirements of the success of the initial public offering, Mr. Wathaifi said that the most important of which is that the company has a record and a history of success, positive performance and profits. The company's growth prospects are promising, transparency, disclosure and effective planning standards that are applied, and consultants with specialized legal, financial, accounting and tax expertise are selected to be presented according to market requirements and the size needed to be implemented properly.

Added, “The national capital market It has an advanced legislative and technical structure in accordance with international standards and practices. Listing costs are among the lowest in the region and emerging global markets.

Companies’ General Controller Dr. Wael Al-Armoti, also spoke about the most important procedures and requirements to transfer from a private/limited liability corporation into a publicly listed corporation in accordance with the provisions of the Corporate Control Act, stating that the transfer of any company to another company does not result in the emergence of a new legal person but remains. As the Company has its prior legal personality, reserves all rights and is responsible for its pre-conversion obligations.

In turn, the project's technical chief, **Mr. Robert Senglary**, outlined the challenges that a privately

owned company may face in evaluating and selling, how transferring into a public corporation would solve the problems of unfair evaluation and how companies would be evaluated, stating that there is no single approved formula for determining the share price in the company.

You can also see the full workshop recording, chick out the below links:

Part 1: https://bit.ly/33fxiej

Part 2: https://bit.ly/2hjsmqj