

# Become an Issuer

As one of the top 10 global exchanges and the largest and most liquid in the Middle East and North Africa, the Saudi Exchange offers businesses access to a deep pool of investment capital to support their growth and unlock exciting new opportunities.

The Saudi Exchange also offers issuers looking to join the market for the first time a choice of transactions depending on their needs. Issuers can choose from:

## Initial Public Offering (IPO)

An IPO on either the Main Market or Nomu – Parallel Market gives a company the opportunity to raise capital by issuing new shares or selling existing shares to a wide range of new investors.

## Direct Listing

Issuers can also choose to undertake a Direct Listing on Nomu – Parallel Market without an offering. This route may suit companies which have already raised capital through other means and have a diverse set of investors who are looking for the benefits of a public market quotation to trade their shares.

## Requirements For The Main Market

In order to be eligible to issue any type of security, general conditions as well as securities-specific conditions should be met.

General Conditions Relating to Issuers as Outlined in the Listing Rules issued by the CMA:"

- The issuer must be a joint stock company.
- The issuer must have been carrying on, either by itself or through one or more of its subsidiaries, a main activity for at least 3 financial years under substantially the same management.
- The issuer must have published its audited financial statements covering at least the previous 3 financial years, prepared in accordance with the accounting standards approved by SOCPA.

- If the issuer has undergone restructuring, 1 financial year must elapse since the date of completion of the restructuring before it will be eligible to issue any securities.
- The senior executives of the issuer must have appropriate expertise and experience for the management of the issuers business.
- An issuer must have, on its own or with its subsidiaries, sufficient working capital for the 12 months immediately following the date of the publication of the prospectus.
- The issuer must provide the Authority with reviewed interim financial statements if such statements were issued during the application period."

## Requirements For Nomu– Parallel Market

Nomu – Parallel Market was designed for companies that do not meet the Main Market's listing requirements but still wish to list shares on the Exchange. The market offers companies great flexibility and has lighter requirements to list than the Main Market.

The Offering & Listing process takes the following criteria into consideration:

- The issuer must be a joint stock company.
- Minimum market cap of SAR 10 million.
- The issuer must float at least 20% of the issued shares, or SAR 30 million worth of shares in the market, whichever is less.
- Minimum 1 year of operational and financial performance.
- Appointing a financial advisor is mandatory, legal advisor is optional.
- Annual audited financial statements.
- Semi-annual reviewed financial statements.
- Disclosure of significant/essential information.
- No profitability track record is required.
- Lock-up Period: 100% of pre-offering investor shares for one year.
- At least 50 public shareholders are required at the time of listing.

## Differences between the Main Market and Nomu – Parallel Market

	MAIN MARKET	NOMU – PARALLEL MARKET

<b>Type of Company</b>	Joint Stock Company	Joint Stock Company
<b>Minimum Market Cap</b>	SAR 300 million	SAR 10 million
<b>Financial track record</b>	The issuer must have been undertaking, either by itself or through one or more of its subsidiaries, a main activity for <b>at least 3 financial years</b> under substantially the same management.	<b>Minimum 1 year</b> of operational and financial performance.
<b>% Offered</b>	At least 30%	At least 20% of the issued shares Or floating SAR 30 million worth of shares in the market, whichever is less
<b>Public Shareholders</b>	At least 200	At least 50
<b>Continuous Obligations</b>	Standard disclosure requirements. Disclosure of <b>quarterly</b> financial statements <b>within 30 calendar days</b> from the end of the period and <b>year-end</b> financial statements <b>within 3 months</b> from the end of the period	Lighter financial disclosure requirements than the Main Market (with regards to time permissible to disclose):  Disclosure of semi-annual financial statements <b>within 45 calendar days</b> from the end of the period. <b>Year-end</b> financial statements <b>within 3 months</b> from the end of the period

## Interested in going public?

Going public is a hugely exciting part of a company's evolution. If this could be the right step for you, why not give us a call?

Our dedicated Issuer Team is available to help guide you through the process of joining the Saudi Exchange.

To arrange an initial meeting, please fill at the link: <https://www.saudiexchange.sa/wps/portal/saudiexchange/listing/become-an-issuer?locale=en> and a member of our Team will be in contact with you soon.