

**Is your company ready to list on
the JSE**



JSE



- You're a fast-growing business looking to raise some cash to expand.



- Alternatively you're the owner and you want to take some money off the table.



- Where would you go?
 - Venture capital
 - Private Equity
 - JSE

Key considerations



- The primary considerations to think about in determining if going public is right for your company, especially at an early stage include:



Reason

Does your company have a reason to be public?



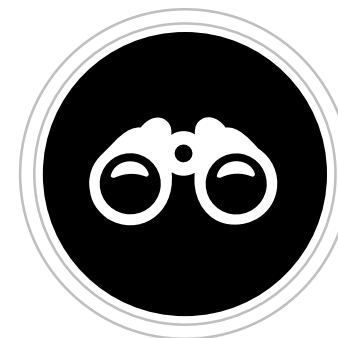
Ready

Are you and your company ready to go and be public



Requirements

Does your company meet exchange listing requirements?



Reality

Do investors support (retail and institutional) your type and size of company in current market conditions?

Key considerations – reason



Reason

Benefits of listing on the JSE

A listing on the JSE gives you;

- Access to deep pools of capital (debt and equity)
- Monetisation tool for existing shareholders
- Improved access to capital via secondary capital raisings
- Diversify shareholder base; get access to larger and complementary pools of capital
- Shares may be used as transaction currency for future acquisitions
- Increase visibility of company through research coverage and increased investor interest
- Access capital from international emerging markets investors, focused on companies with African assets

Key considerations – ready



Ready

Are you and your company ready to go and be public

- **Management Team:** Your management team should be interested and ready to go public, and include a CFO with public company experience.
- **Board of Directors:** Your company will need a formal board of directors that understands its legal and fiduciary responsibilities as public company directors.
- **Audited Financials:** 2/3 years of audited financial statements will be required.
- **Internal Controls:** Your company will need to establish the required financial controls and reporting infrastructure to be public.
- **Time for Investor Relations:** A significant amount of your CEO's time will be spent on communicating with current and potential investors.
- **Transparency:** Your company's financial information will be public to everyone including competitors, and you and your team need to prepare for that.

Key considerations – requirements



Requirements

Does your company meet exchange listing requirements?

	Main Board	AltX
Share capital	R50million	R2million
Profit history	3 years	None
Pre-tax profit	R15 million	n/a
Shareholder spread	20%	10%
Sponsor / DA	Sponsor	Designated advisor
Publication in the press	Compulsory	Voluntary
Number of transaction categories	2 (threshold 30%)	2 (threshold 50%)
Annual listing fee *discounted by 50% for Inward Listings	Min R44 570 (\$ 3 695.10) & Max R392 200 (\$ 32 515.51) Charged according to market cap during the preceeding year.	R34 000. (\$2 532) (including VAT)
Education requirements	n/a	All directors to attend Directors Induction Programme

Key considerations – reality

JS



Reality

Do investors support (retail and institutional) your type and size of company in current market conditions?

- What is the financial track record of the company?
- Are you listing for the right reasons (i.e. growth and unlocking opportunity) and *not* for the wrong reasons (e.g. exiting, ego, etc).
- How scalable is your business model?
- How defensible are your business's long-term margins?
- Ignoring acquisitions, how can you organically and sustainably grow your business?
- What corporate governance and assurance structures (e.g. internal audit, high-quality external audit, Audit Com, etc) exist within your business and how will you protect minority shareholders?.
- What is the Dividend policy?

Why the JSE



Top 20 exchange by market cap globally



Largest exchange on the African continent



Strong track record, efficient systems, good regulation



Cost effective products and services

Foreign daily value traded

~30%

of international and local brokers

~60

Average daily value traded

R20bn – R25bn

Listing Timeline



Month 1

Appoint JSE Sponsor/DA

Collation of Information &
Feasibility analysis



Month 2

Commence draft of documents
(PLS/Pros, MOI, share incentives
etc.)

Present to AltX (if required)



Month 3

Submission and Approval of
PLS/Pros/Fast Track listing
announcement



Month 4

Commence capital raise
Roadshow

Listing on the JSE



Timing considerations:

- Year end
- Availability of information
- Changes to capital structure

JSE Submission process:

- Three submissions – 10 days in total
 - Informal comment – 5 days
 - Informal approval – 3 days
 - Formal approval – 2 days

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MOVE

