

Contents

- **NILEX** Your Gateway to Finance
- Why Listing on the Exchange?
- Why Joining **NILEX**?
- Listing Rules
- Nominated Advisors
- Disclosure Rules
- Trading, Clearing and Settlement Rules

This brochure is designed to tell you more about **NILEX** and why it could be the right choice for your company. For further information, please contact Research or Public Relations departments at EGX.



NILEX

Your Gateway To Finance

NILEX is the Egyptian Exchange's new market for growing medium and small companies, which offers them an access to capital to grow and expand their businesses.

Despite the increasing number of promising medium and small companies in the region and their growing importance in the economy, yet, their contribution in the economic growth and in the capital formation is still limited due to the financial obstacles those companies face. Therefore, **NILEX** was designed to offer those mid and small cap companies a medium to raise capital under an appropriate regulatory framework for both companies and investors.

NILEX is the first mid & small cap market to be launched in the MENA region, following extensive researches and studies on similar international markets, which succeeded in helping small companies expanding their businesses.

Target Companies

NILEX targets fast growing and promising medium & small cap companies, including family-owned businesses, from any country and any industry sector.



Why List On

NILEX?

- Access to long term capital for the expansion of the business without complicated procedures or the need for special guarantees or assets.
- Access to long term debt finance through bonds issuance via the exchange.
- Maximize the company's market capitalization, which helps getting loans from banks.
- Helps in determining a fair value for the company.
- Improves the company's image among suppliers, customers, banks and other stakeholders.
- Protects investors' rights and help shareholders phasing out from the company.
- Gives the company a good opportunity for growth, since companies listed on small and medium enterprises markets worldwide have witnessed notable growth after being listed.
- Helps in merger and acquisitions transactions among medium and small companies to create more competitive entities.
- Helps in attracting strategic domestic and foreign investors who seek long term investment opportunities or acquisition of promising companies.



Why Joining Nilex?

NILEX gives medium and small cap companies a chance to raise capital within a regulatory environment designed specifically to meet their needs. **NILEX** offers relaxed listing & disclosure requirements as well as lower listing and trading fees.

Relaxed Listing Rules:

NILEX offers more flexible listing rules compared to the main market, with respect to the minimum capital, number of shareholders, as well as the company's financial track record.

Lighter, yet Cohesive Disclosure Rules

The majority of the main market disclosure rules have been maintained to ensure market efficiency and investor protection.

Helping the company in the listing and offering process

There is a nominated advisor who helps the applicant company in getting listed on the exchange and in the initial public offering of its shares.

The nominated advisor also helps the listed company to abide by the listing and disclosure rules and assists the company in preparing its financial statements and submitting them in due time.

For more details about the nominated advisors please visit : www.nilex.com.eg





Lower Listing Fees

The annual listing fees levied on medium and small enterprises are reduced to 0.5 per thousand of the capital with a minimum of L.E 500.

Lower Trading Fees

Trading fees are reduced to 1 / 10 per thousand of the total value of the transaction with a maximum of L.E 100.

Lower Depository Fees

Annual depository fees have been slashed by 50 percent.

Listing Rules

General Listing Rules

The mid and small cap companies that qualify to get listed on **NILEX** are those companies whose issued capital is less than L.E 50 million.

Listing shall be enacted according to the following rules:

The applicant company must have a nominated advisor. The nominated advisor advises and assists the company on all its responsibilities during the application process and ensures the company's compliance to the listing and disclosure rules. The nominated advisor's obligations and responsibilities will be maintained for at least two years from the listing date.



The following conditions are required for the mid and small cap companies to list their securities on **NILEX**:

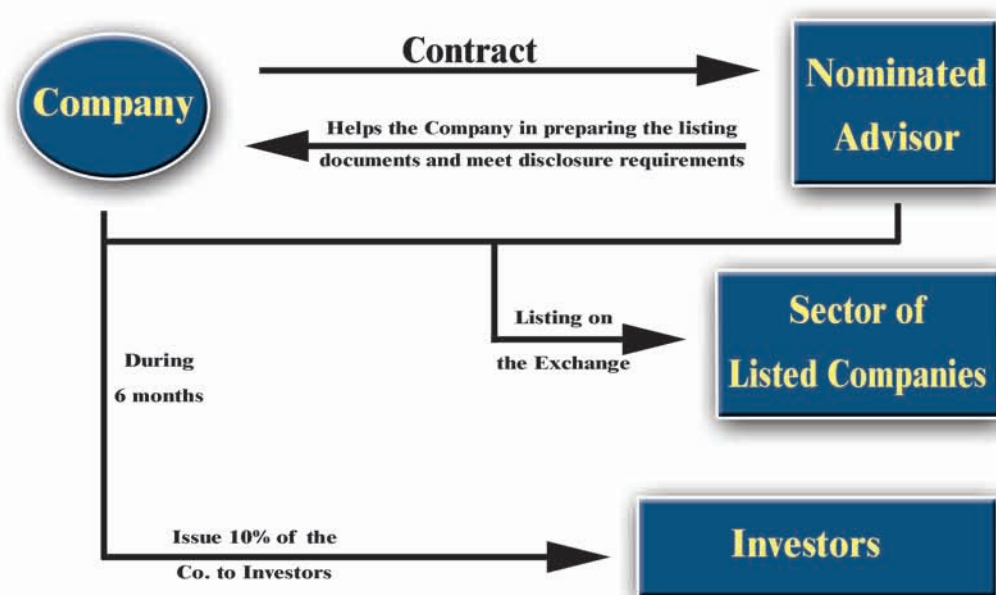
- All listed securities must be deposited at the Central Depository.
- The company's by-laws or the issuing terms should not include any constraints on the trading of the securities to be listed.
- The issuing company must have financial statements for at least one fiscal year preceding the listing application. The financial statements should be prepared in accordance to the Egyptian Accounting Standards and should be revised by one of the financial auditors accredited by EFSA.
- Shareholders equity should be equal to the company's paid in capital in the year preceding the listing application.

- The issued capital should be fully paid.
- The number of issued shares to be listed should not be less than 100 thousand shares.
- The minimum free float should be at least 10% of the total issued shares and the number of shareholders should not be less than 25, within a maximum of 6 months from the listing date.
- Founders and Board members should maintain a minimum of 25% of the applicant company for a minimum period of two years starting from the date of the offering stated above.

The Listing Committee may approve the company's listing even if the last two conditions were not fulfilled,* on the condition that the company pledges to fulfill all the conditions within 6 months from the listing date.

*Please refer back to NILEX Listing Rules on the website: www.nilex.com.eg

How to List on NILEX?



For more information about the Listing Rules, please visit the following link www.nilex.com.eg

Listing Fees

A lower annual listing fees are levied on the medium and small cap companies amounted to 0.5 per thousand of the capital, with a minimum of L.E 500.

Nominated Advisors

The Nominated Advisor Role

The nominated advisor has to sign a contract with the company in accordance with the form prepared by the Exchange, including the rights and obligations of each party.

The nominated advisor is responsible for:

- Helping the company in the restructure of its internal financial and management system.
- Helping the company in the preparation of the required documents to be listed. Assisting the company in the preparation of the public offer or private placement of its shares.
- Helping the listed company to fulfill its ongoing disclosure obligations.

Disclosure Rules

- The majority of the disclosure rules have been maintained to ensure market efficiency and investor protection, in particular the disclosure requirements regarding the company's announcements of corporate actions and material events.

Trading, Clearing Settlement Rules

- The listed shares of the small and mid companies is traded on a daily trading session (10:30am – 11:30 am) with the same trading mechanism of the main market whereby the price limits is 5% up and down.
- The closing price is calculated as a weighted average for all prices at the end of the trading session, provided that the volume of each stock shouldn't be less than 100 shares with a value greater than LE 20 thousand or its equivalent in other currencies.
- The exchange's management is responsible for the supervision and surveillance of all the trading on the small and mid cap listed companies with no contradiction to the supervision and listing rules of EGX main market.

Trading Fees

Trading fees is set at 1/10 per thousand of the total value of the transaction with a maximum of L.E 100.