

Leading the Journey to the Capital Markets

Key Learnings and Insights

TODAY'S AGENDA

01 Why IPO – Strategic Rationale

Timing & strategic rationale

02 The Private Company Transition

Key pre-IPO organisational shifts that determine success

03 Indicative IPO Timeline

Indicative 18-month roadmap and workstreams

04 IPO Readiness Dimensions

Financial, governance, operational & cultural readiness

05 Key Risks & Mitigation

Execution, market, regulatory and business risks

06 Finance at the heart- Pre & Post IPO

Leadership, Numbers and Narrative

WHY IPO? STRATEGIC RATIONALE

A Founder's Vision

Our Chairman recognised the opportunity to take the brand public, not merely as a financial transaction, but as a lasting **legacy**. A **brand that would continue** to thrive for generations.

Access to Capital

A listing raises primary capital for growth, investment and long-term strategic initiatives, without relying on dilutive private funding rounds.

Brand & Credibility

Public listing elevates the corporate profile, enhances trust with customers, regulators and international partners.

Governance & Separation

Separating ownership from management and building a more controlled, professionally governed environment that would enhance alignment with regulators and public shareholders.

Strategic Flexibility

Supports international expansion and partnerships.

Liquidity & Exit options

Establish a transparent market valuation; provide shareholders and founders with exit and liquidity options

THE PRIVATE COMPANY TRANSITION

Critical pre-IPO organisational shifts that determine success

Early Preparation

- Our IPO preparation began 18 months before listing. For many companies, the preparation cycle runs to **two or three years**, particularly where IFRS conversion, governance restructuring or management changes are required.
- Even if the IPO does not ultimately proceed, the work done in preparation delivers lasting value, stronger controls, improved reporting quality, and a more professionally governed business.
- The four foundations to build early: a clear shareholder structure, a supportive and credible Board of Directors, a well-defined strategy, and high-quality internal processes.
- Start with an **IPO readiness gap assessment**, identify the gaps before the advisors do. It is never too early to start.
- Engaging experienced **legal and financial advisors** early is essential. Restructuring post-IPO announcement is far more complex.

Ownership & Management Separation

- Many private companies have no separation between ownership and management
- The outcome must be a more structured, controlled operating environment one where **governance is embedded into how decisions are made**, not just how they are reported.
- For founders, this is as much a cultural shift as a structural one. Stepping back from day-to-day operations into the role of strategic stakeholder takes time and **mindset change**, while they may still retain control after separation.
- Formal governance mechanisms ,board charters, delegation of authority frameworks, executive accountability structures must all be in place well before the listing window opens.

THE PRIVATE COMPANY TRANSITION

Transaction Perimeter Decision

- Determine the transaction scope for a diversified business and Identify what parts to list and what to carve out.
- Investors value focus above almost everything else. A clean, clearly defined business ,one with a **compelling and singular story** ,will always command a stronger valuation than a complex conglomerate structure.
- The decision was taken to focus the listing on the **core retail brand** alone, a deliberate choice that sharpened investor resonance and improved valuation clarity significantly.
- Non-core assets, related-party arrangements and dormant entities all need to be resolved, restructured or ring-fenced well before any prospectus is filed.

Educating Investors on the Equity Story

- No amount of financial modelling replaces the time invested in educating investors on what makes the business truly special. Understanding the **investment proposition** takes repeated, deliberate engagement.
- This is particularly true for private or family-owned businesses that lack a listed peer group. Without comparable companies to anchor a valuation, investors and analysts must be guided through the story with patience and depth.
- The equity story for us was a **growth story** , distinct from the dividend-focused GRE IPOs that regional investors are accustomed to. That difference needed to be explained, demonstrated and repeated.
- Investors need to understand the **roadmap for value creation** , the balance between reinvesting for growth and returning capital. Articulating that clearly and consistently is one of the most important things a finance leader can do before listing.
- **Emphasize total return to investors** highlighting the importance of balancing growth with dividend pay-out.

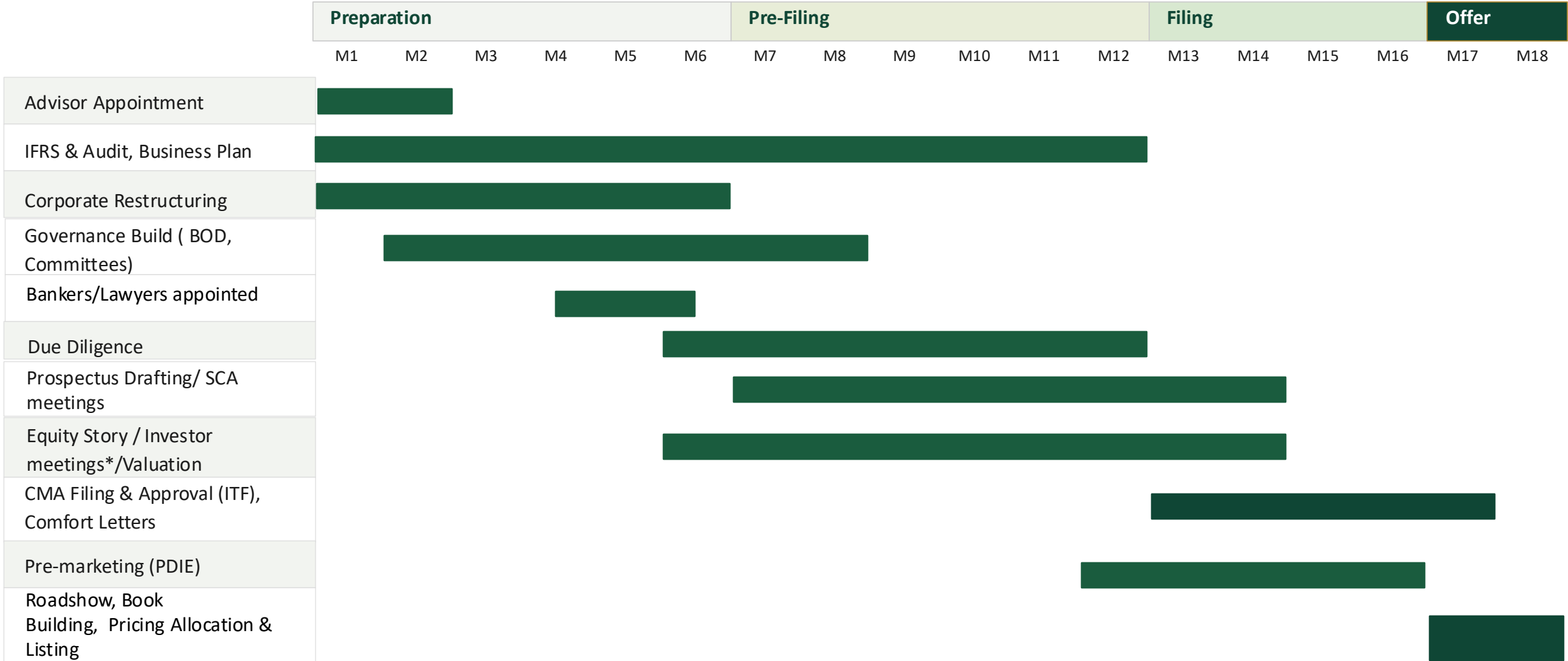
THE PRIVATE COMPANY TRANSITION

Overcoming the Fear of the Process

- There is an understandable anxiety that surrounds the IPO process. It is long, demanding and deeply scrutinizing. But with the **right preparation**, the right team and genuine commitment, it is **entirely manageable**.
- The process demands **time and effort**; there is no shortcut around that reality. But the fear of the unknown is almost always greater than the process itself, once you are inside it with capable people around you.
- The **right advisors** , investment banks, legal counsel, auditors, communications teams , play a critical role. Choosing them well, briefing them thoroughly, and holding them accountable to the timeline makes an enormous difference.
- Start early, build your team, and take the first step. Everything that follows becomes clearer once you do.
- Have a dedicated **IPO PMO**

INDICATIVE 18-MONTH IPO TIMELINE

Illustrative – actual timeline subject to company readiness



**Includes Early look presentations, Analyst presentations, Deep Dive, Pilot Fishing and Cornerstone investor discussions*

IPO READINESS – SIX DIMENSIONS

IPO READINESS — Six Interconnected Dimensions

A holistic transformation, not just a transaction



FINANCIAL REPORTING – IFRS & AUDIT READINESS

IFRS compliance, audit readiness and financial planning maturity

IFRS Conversion & Compliance

- Adoption of IFRS or local GAAP aligned to IFRS required for CMA listing.
- Typically, **2-3 years of audited financials required**.
- Key adjustments: Revenue recognition (IFRS 15), lease accounting (IFRS 16), financial instruments (IFRS 9).
- Pro-forma statements required where corporate restructuring has occurred.

Audit & Accounting Quality

- Top Tier audit firm appointment strongly preferred / often required by institutional investors.
- Audit committee oversight and independence of external auditor critical.
- Management accounts must be reconcilable to statutory accounts.
- Quality of Earnings (QoE) analysis often commissioned by sponsors/underwriters.

Financial Planning & FP&A Maturity

- Board-level forecasting, **KPI dashboards** and rolling forecasts essential.
- Investor-grade **financial model** with 3–5-year projections and sensitivity analysis.
- Finance leadership must be able to explain and defend financial performance under investor scrutiny.
- **Monthly close cycle** should be under 5–7 business days post-listing.

GOVERNANCE & INTERNAL CONTROLS

Building the institutional infrastructure for public market scrutiny

Board Composition

- Minimum 1/3 independent directors (CMA requirement) and requirement for female representation.
- Audit, Risk and Remuneration Committees required.
- Board skills matrix aligned to sector and strategy.
- Board charter, and delegation of authority frameworks.

Internal Audit & Risk

- Establishment of independent Internal Audit function.
- Risk register and enterprise risk management (ERM) framework.
- Whistleblower policy and anti-bribery/corruption controls.

Financial Controls (ICFR)

- Design and testing of Internal Controls over Financial Reporting. **Policies and procedures** documentation.
- Segregation of duties, approvals matrix and ERP access controls.
- Management sign-off on controls effectiveness.

ESG & Disclosure Readiness

- ESG framework increasingly expected by institutional investors.
- Non-financial KPIs and sustainability reporting standards.
- Related party transaction policies and disclosure.
- Insider trading policies and market abuse procedures.

TAX & LEGAL STRUCTURING

Pre-IPO housekeeping is critical – and time-consuming

Corporate Group Restructuring

Simplify and rationalise the corporate structure. Non-core businesses, dormant entities and complex inter-company arrangements must be resolved. Holding company established in ADGM/DIFC or onshore UAE.

IP & Brand Ownership

Intellectual property, trademarks and key contracts must sit within the listed entity. Licensing arrangements with related parties require arm's-length pricing and disclosure.

UAE Corporate Tax Readiness

UAE introduced 9% federal Corporate Tax from June 2023. IPO candidates must demonstrate full CT compliance, transfer pricing documentation and Pillar Two awareness for international groups.

Legal & Contractual Housekeeping

Material contracts reviewed for change of control clauses, assignment restrictions and regulatory approvals. Employment agreements, shareholder agreements and JV arrangements audited.

OPERATIONS & SYSTEMS

IT Organisation & Governance

- A dedicated IT Infrastructure and Security lead; quantify additional capacity and skillset needs.
- Define metrics (incident response, asset utilization) and align job descriptions with KRAs
- Establish an IT security framework to discuss compliance

IT Strategy & Applications

- Ensure ERP is set up and tested 6 months before the IPO to automate financial reporting and consolidation
- Perform IT audits and security testing for external interfaces to identify and resolve gaps

Investor Relations (IR)

- Hire an IRO well before time to allow time for equity story immersion
- Establish an IR policy and a communication strategy/calendar.
- Establish a mandatory 'Investor Relations' section on the company website per IPO guidelines

Human Resources

- Establish a Long-Term Incentive Plan (LTIP), succession plans retention policies and conduct peer salary benchmarking
- Update and digitize policies
- Recruit mandatory roles (Board Secretary, Risk/Compliance, and Internal Audit) prior to the IPO

VALUATION & THE EQUITY STORY

Crafting a compelling investor narrative

Valuation Methodologies

- DCF with explicit terminal value; sensitivity to WACC and growth assumptions.
- EV/EBITDA and P/E multiples benchmarked against listed peers (GCC and international).
- Sum-of-the-parts for diversified conglomerates with distinct business lines.
- Precedent transaction analysis and IPO comparables.
- Independent valuation report for RE or specialised assets.

Crafting the Equity Story

- Articulate a clear, differentiated investment thesis — 'Why this company, why now?'
- Highlight UAE/GCC market positioning, competitive moats and growth catalysts.
- Quantify the Total Addressable Market and the company's penetration opportunity.
- Anchor financial targets to deliverables: revenue growth, EBITDA margin, capex discipline.
- Roadshow materials: investor presentation, Q&A, etc

Key Learnings:

- **Price Conservatively:** Meaningful discount to the fair value so that there is value left for the new investors
- **Secure cornerstone investors:** To stabilize post listing performance and signal quality to the broader market
- **IR Commitment:** Quality earnings calls and investor/analyst engagements are non-negotiable
- **Guidance:** Promise what you can deliver

REGULATORY & CMA REQUIREMENTS

Understanding the UAE listing framework

Requirement	DFM / ADX Main Market	NASDAQ Dubai
Minimum Free Float	20% (CMA decree)	25%
Audited Track Record	2 years IFRS financials	3 years
Minimum Market Cap	AED 20M-40M (varies)	USD 10M
Prospectus Approval	CMA approval required	DFSA approval (NASDAQ Dubai)
Post-IPO Reporting	Quarterly & annual reports	Semi-annual & annual
Independent Directors	Minimum 1/3 of board	1/3 Non-Executive and at least 2 of them must be independent

PROSPECTUS & DISCLOSURE REQUIREMENTS

Prospectus preparation and ongoing disclosure obligations

Prospectus Preparation

- Prospectus must be prepared in Arabic and English, approved by the CMA.
- Contains: business overview, risk factors, financial statements, use of proceeds, management discussion.
- Review period typically 30–60 business days; multiple rounds of comments common.
- Material misstatements in prospectus carry civil and criminal liability for the issuer and directors.
- Supplemental prospectus required if material developments arise during the offer period.

Post-Listing Obligations

- Ongoing disclosure obligations post-listing: ad hoc, periodic and annual reports.
- Inside information must be disclosed immediately via DFM/ADX notification system.
- Related party transaction disclosure thresholds defined by CMA regulations.
- Major shareholder threshold notifications required.
- Dividend policy must be stated and consistently applied post-listing.

KEY RISKS & MITIGATION

Risk Category	Risk Description	Mitigation Approach
Execution Risk	Timeline slippage due to IFRS restatements, regulatory delays or management constraints.	Dedicated IPO PMO; experienced advisors; realistic milestone planning.
Ownership/Management Separation	Failure to establish clear separation between founder control and professional management.	Establish Board independence early; define management mandates formally before roadshow.
Transaction Perimeter Risk	Listing a poorly defined or overly complex corporate perimeter compresses valuation.	Thorough pre-IPO business simplification; list core brand only; clean carve-out before filing.
Regulatory Risk	CMA queries, prospectus rejections or last-minute rule changes during preparation.	Engage CMA in pre-application dialogue; experienced UAE legal counsel; allow 60+ business days.
Valuation Misalignment	Founder/shareholder price expectations misaligned with market; no comparable peer group.	Early pathfinder investor education; independent valuation; deep pre-marketing.

KEY RISKS & MITIGATION

Risk Category	Risk Description	Mitigation Approach
Market Timing Risk	Adverse conditions at time of listing delays or derails the IPO.	Flexible IPO window; cornerstone investor commitments.
Business / MAC Risk	Material adverse change in trading performance during the offer period.	Comfort letters and audit sign-offs; anchor investors; lock-up and warranty provisions.
Oversubscription Management	Extreme oversubscription creates disappointed investors and secondary market volatility.	Structured allocation policy; clear greenshoe communication; manage sell-down expectations proactively.
Post-IPO Price Pressure	Share price falls below IPO price in early trading, triggering negative media coverage.	Stabilisation manager mandate; communicate long-term fundamentals; visible and confident commentary.
Post-IPO Compliance Gap	Non-finance departments unaware of listed company obligations, creating inadvertent breaches.	Pre-IPO compliance training across all functions; General Counsel; insider trading window protocols.

FINANCE AT THE HEART OF THE IPO

Coordinating the people, the numbers and the narrative across every workstream

Financial Stewardship

Own the financial statements, audit readiness and financial model. The numbers must be robust and fully defensible before marketing begins.

Advisor Coordination

Manage investment banks, legal counsel, auditors, PR and investor relations workstreams. Drive accountability across all parties.

Investor Engagement

Lead analyst and investor engagement. Articulate the equity story with clarity and conviction. Every question must be met with confidence and precision.

Board Interface

Align the Board on valuation expectations, IPO readiness and governance enhancements required for listing.

Post-IPO Transition

Build out the IR function, establish a disciplined reporting, and put in place the market communication protocols that public company life demands.

Cultural Transformation

Champion the shift from private to public company mindset across the entire organisation. Culture is as important as compliance.

POST-IPO FINANCE PRIORITIES – THE EVOLVED ROLE

From transaction stewardship to public company leadership

Board Engagement

Continuous engagement with the Board-present financial performance, market conditions and strategic options in a format suitable for a public company

Investor Relations & Analyst Coverage

Actively engage sell-side analysts, current and potential shareholders. Run a proactive IR programme with Non-Deal Roadshows(NDRs), earnings calls and capital markets days.

Compliance Culture

Educate all business functions on the obligations of being a listed company. Finance, Legal, Operations and HR must all understand disclosure controls and insider trading rules.

Internal Audit/ Regulatory Submissions

Own the internal audit process and ensure timely, accurate regulatory submissions to DFM/ADX and SCA. Build a robust quarterly and annual reporting cadence.

Managing Market Expectations

Monitor sell-side consensus vs. internal forecasts. Communicate proactively on material developments — do not let the market be surprised by results.

Liquidity & Post-Listing Share Price

Understand and activate available tools: stabilisation mechanisms, and liquidity provision. **Fundamental performance is the best liquidity driver.**

THANK YOU
