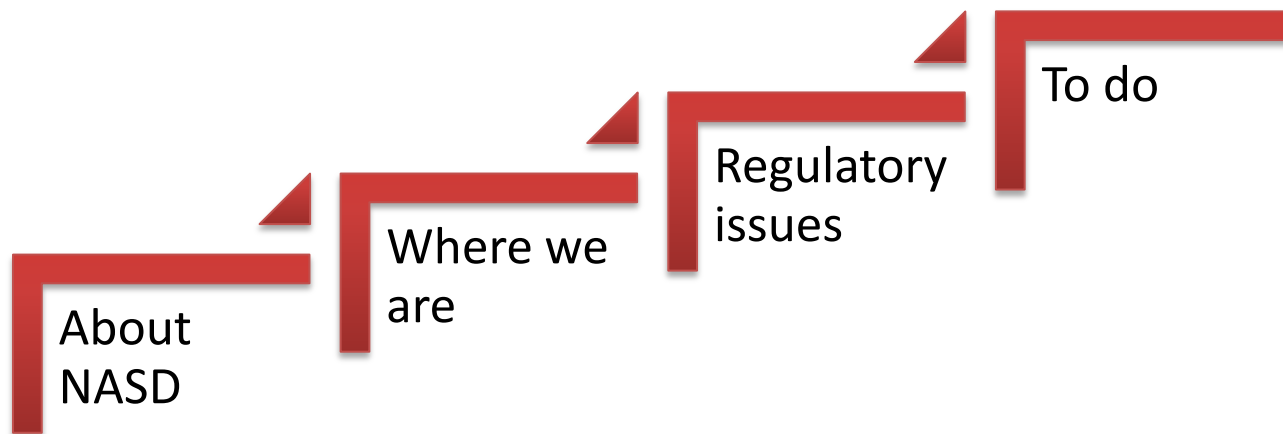


GROWTH OF THE NASD OTC MARKET Q1 2015

Lagos,
24 April 2015





About NASD OTC

28/04/2015

- Started as an association of securities dealers
 - transformed into a full OTC market.
- Ownership is mainly market operators
- Licensed by SEC to function as an OTC market
- Focused on facilitating transparency and liquidity
 - Start point is equities
- Vision
 - To be the hub of first call for capital formation in West Africa

Banks



Clearing



Platforms



Participants

92 Dealing firms
24 Issuing Houses
150 Authorised Traders

- To Issuers:
 - Public visibility
 - Local and international access to long term capital
 - Transparency in pricing and valuation
 - Reduced cost of printing Certificates for shareholders
- To Shareholders
 - Liquidity and transparency for secondary market
 - Boost in shareholder confidence
 - Corporate Information channel
 - Safety of dematerialisation

- Securities of ALL unlisted PLCs registered with “SEC”, which includes:
 - Large corporates with a history of good performance and corporate governance
 - Growth stage companies that need additional financing for projects and growth
 - Private companies who converted to PLC or have grown shareholder base to over 50 shareholders

- Investor selects PI from NASD list
- Broker applies to create security code in CSCS
- Security code enables trade
- Investor certificate is dematerialised
- Trade commences at no cost to the Issuer
- Issuer has limited reporting responsibility to NASD
 - Timing is 1 week

Issuer Board will :

- Apply for ‘listing’ and be Introduced by an Issuing House
 - (Issuing house list available on www.nasdng.com)
- Fill form and return with Application fee
- Sign undertaking to abide by rules of market
- Fully dematerialise register and lodge in CSCS
- After review; be placed in one of two bands (Blue & Pink)
 - Timing is approximately one month

SCHEDULE OF ADMISSION (LISTING) FEES

	Below N50mil Capitalisation	Between N50 mil and N250m	Above N250 mil Capitalisation
	₦	₦	₦
Application Fee (Non Refundable)	50,000.00	100,000.00	0.25% of Capitalisation (Negotiable)
Annual Fees	50,000.00	100,000.00	200,000.00



Where we are

28/04/2015

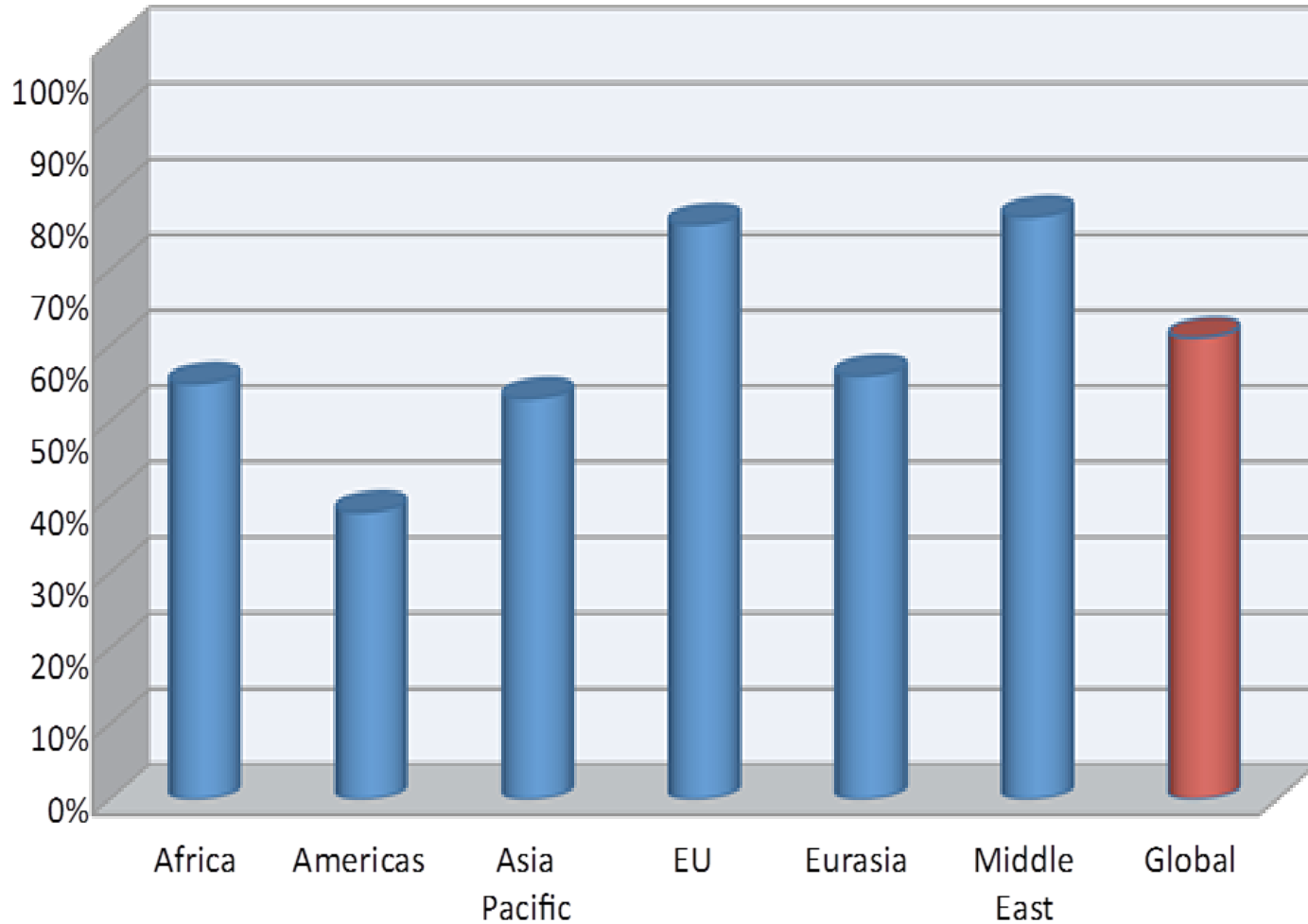
19 SECURITIES NOW TRADING

Security	Entry Price	Share Cap	Market cap	Price	Demat level
SDACORN	2.80	2,000,000,000	4,880,000,000	2.44	26,120,546
SDARMLIFE	2.75	5,785,673,000	15,910,600,750	2.75	6,000,000
SDAFRILAND	1.00	250,000,000	562,500,000	2.25	10,510,842
SDBGLPLC	4.00	12,000,000,000	36,000,000,000	3.00	70,228,500
SDCAPDBETO	95.49	196,875,000	18,799,593,750	95.49	104
SDCILBREW	85.00	496,071,617	47,126,803,615	95.00	16,181,244
SDCSCSPLC	3.60	5,000,000,000	25,000,000,000	5.00	38,222,855
SDDUFIL	9.00	6,753,333,334	60,780,000,006	9.00	-
SDFCWAMCO	250.00	976,335,936	292,900,780,800	300.00	33,100,236
SDFOODCPT	2.25	5,650,000,000	3,390,000,000	0.60	81,817,426
28/04/2015		<i>Creating liquidity ...Transparently</i>			12

19 SECURITIES NOW TRADING -2

Security	Entry Price	Share Cap	Market cap	Price	Demat level
SDFOODCPT	2.25	5,650,000,000	3,390,000,000	0.60	81,817,426
SDGEFLUID	5.50	4,257,668,000	4,342,821,360	1.02	547,613,109
SDGOLDEN	1.00	1,170,324,536	1,170,324,536	1.00	64,987,688
SDIGIPLC	2.50	14,231,238,000	4,838,620,920	0.34	896,595,495
SDJAIZ	1.15	4,014,429,720	4,616,594,178	1.15	1,201,500
SDNDEP	350.00	145,780,311	43,734,093,300	300.00	20,998
SDPARTNER	2.00	2,875,595,000	3,680,761,600	1.28	42,331,878
SDRSOURCE	2.00	2,576,686,039	1,880,980,808	0.73	505,000,000
SDRIGGS	0.95	880,394,000	836,374,300	0.95	-
SDSWAPPLC	3.00	2,705,378,000	5,870,670,260	2.17	14,650,000
SDTRUSTMB	1.20	10,945,334,000	13,134,400,800	1.20	-

REGIONAL MARKETS DEMAT LEVELS



Courtesy: Thomas Murray Ltd, London

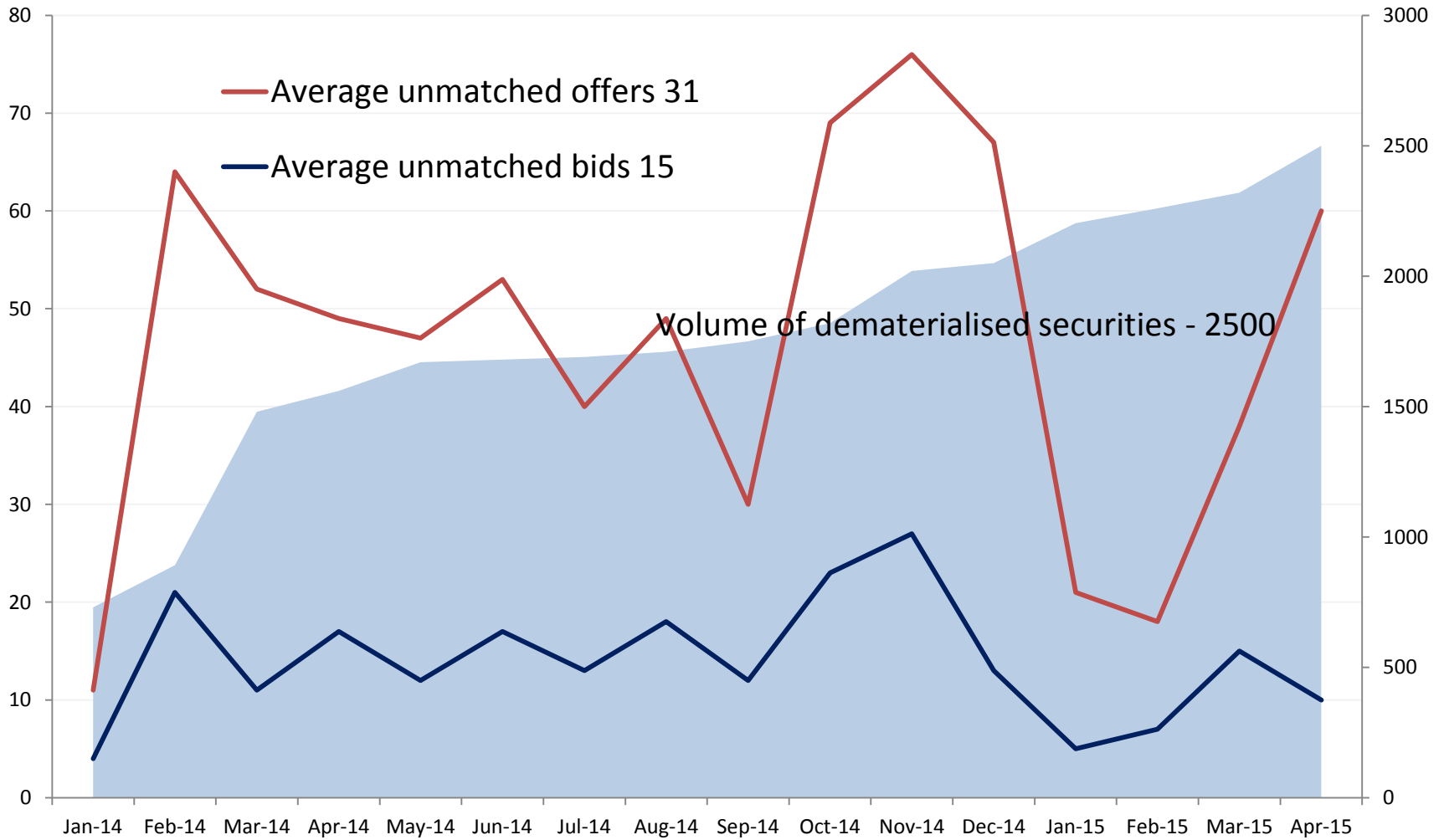
DEMATERIALIZATION BY COMPANY 1

Security	Total Shares Issued 000s	Dematerialisation Vol	%
SDACORN	2,000,000	26,121	1.306%
SDAFRILAND	250,000	10,511	4.204%
SDARMLIFE	5,785,673	6,000	0.104%
SDBGPLC	12,000,000	70,229	0.585%
SDCAPDBETO	196,875	0	0.000%
SDCILBREW	496,072	16,181	3.262%
SDCSCSPLC	5,000,000	38,223	0.764%
SDDUFIL	6,753,333	-	0.000%
SDFCWAMCO	976,336	33,100	3.390%
SDFOODCPT	5,650,000	81,817	1.448%
SDGEFLUID	4,257,668	547,613	12.862%

DEMATERIALIZATION BY COMPANY 2

Security	Total Shares Issued 000s	Dematerilisation Vol	%
SDGOLDEN	1,170,325	64,988	5.553%
SDIGIPLC	14,231,238	896,595	6.300%
SDJAIZ	4,014,430	1,202	0.030%
SDNDEP	145,780	21	0.014%
SDPARTNER	2,875,595	42,332	1.472%
SDRIGGS	880,394	-	0.000%
SDRSOURCE	2,576,686	505,000	19.599%
SDSWAPPLC	2,705,378	14,650	0.542%
SDTRUSTMB	10,945,334	-	0.000%
	82,911,116	2,354,582	2.840%

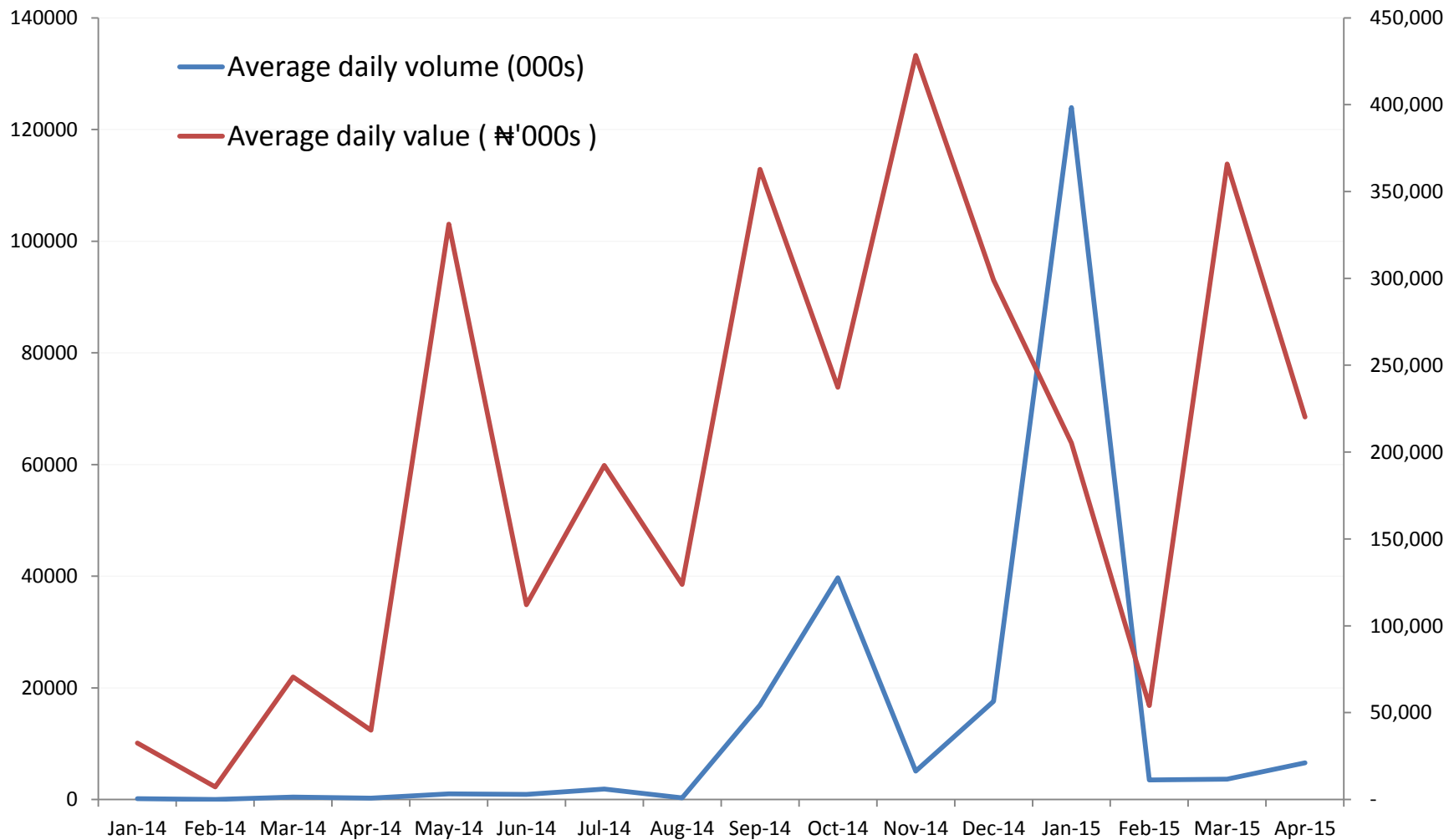
LIQUIDITY IMPROVING: LOW DEMATERIALISATION



ACTIVITY: OPERATORS AND CLIENTS



VOLUME/ VALUE TRADED





Regulation on the OTC market

28/04/2015

- Section 106 (4) of The Investment Securities Act provides that
 - *“No securities of a public company listed on any recognised securities exchange shall be bought or sold outside the facilities of a recognised exchange on which the securities are listed”*
- Section 106 (5) provides that
 - *“Any person who contravenes the provisions of subsection (4) above, shall be liable to a penalty of N500,000.00 in addition to a nullification of the said transaction”*
- Effects of the above are that:
 - No transaction of securities can be effected unless they have been traded on and reported by a SEC registered securities exchange or trading platform
 - There will be an Invalidation of all transactions consummated outside an OTC market platform coupled with a fine as stipulated

- Published on April 2, 2015
- Summary of the rule :
 - I. Shares of all public companies can only trade on a SEC recognised platform (NASD is one of four platforms)
 - II. Only brokers can act as transfer agents
 - III. Directors and other officials who facilitate black market trading are deemed to be breaking the law and will face sanctions from SEC

Source: <http://www.sec.gov.ng/articles/new-rules-and-amendments-to-existing-rules.html>



To Do...

28/04/2015

1. Encourage your company to register your shares with SEC
2. Check your company's compliance level with NASDAQ OTC or brokers
3. Select only OTC registered brokers to trade your shares
4. Demand dematerialisation – It's your right!
5. Expect update of issuer financial performance on www.nasdaq.com

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