

Nairobi, May 12, 2021

NSE OFFICIALLY LAUNCHES THE UNQUOTED SECURITIES PLATFORM

The Nairobi Securities Exchange (NSE) Plc officially launched its Unquoted Securities Platform (USP) during a virtual event today. The USP is a market infrastructure that facilitates the trading, clearing and settlement of securities of unquoted companies in Kenya. This development is part of NSE's ongoing initiatives to ensure our market is able to facilitate the trading and clearing of all financial market transactions conducted in our market.

These significant improvements in NSE's infrastructure are key and underscore the Company's commitment to offer best-in-class technology capabilities to support easier trading and execution of transactions in our market.

Speaking during the virtual event, Mr. Geoffrey Odundo, NSE Chief Executive, noted *"There has been substantial growth in the number of securities trading over the counter. Most involve leading securities of well-developed companies across various sectors of the economy including commercial banks and insurance companies, co-operative societies, leading private companies among many more."*

"Equally, the last few years have witnessed an increase in the number of companies raising long term initial and ongoing equity and debt capital through private placements." He added.

The automated USP solution offers numerous advantages that companies can explore as they pursue capital raising and price discovery while offering an easier transfer platform for investors. Investors enjoy a reduction of settlement delays and the system allows surveillance by the Exchange and the Regulator, thereby protecting investors in the market. The register of investors is managed by an independent registrar protecting the register from possible manipulation. Additionally, the platform eliminates possibilities of human error associated with manual processing. For issuers, the platform provides access to capital and an introduction to capital market transactions easing their possible transition into the main quoted market.

Speaking during the event, Mr. Wyckliffe Shamiah, Chairman, CMA said: *"With regards to innovation, the Authority consistently seeks to provide a conducive policy and regulatory environment for the deployment of new and innovative ideas, including FinTech and business models that have the potential to deepen capital markets in Kenya. Through the CMA Regulatory sandbox, new innovations continue to be rolled out into the market and the impact is slowly but surely showing."*

Early this year, Acorn Holdings Ltd quoted its Income and Development Real Estate Investments Trusts on the USP, making Acorn the first company to tap into the market infrastructure for the trading of shares of unquoted companies.

Mr. Edward Kirathe, Chief Executive, Acorn Holdings Limited noted, *"Acorn Holdings Limited is delighted to tap into Kenya's capital market to unlock growth opportunities as it seeks to grow its impact in Purpose Built Student Accommodation space."*

NSE is proud to be an Exchange leading in innovation and one of our key priority areas for the year 2021 is to increase product uptake on alternative products for our investors.

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Notes to the Editor

About NSE

The Nairobi Securities Exchange (NSE) is the principal securities exchange in Kenya. It offers a world class trading facility for local and international investors and issuers looking to gain exposure to Kenya's and Africa's economic growth. NSE plays a vital role in the growth of Kenya's economy through mobilization of domestic resources and international capital. The NSE is a founder member of the African Securities Exchanges Association and the East African Securities Exchanges Association. It is a full member of the World Federation of Exchanges and the Association of Futures Markets, and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative (SSE). NSE operates under the jurisdiction of the Capital Markets Authority of Kenya

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