

# CALL FOR APPLICATION FOR THE COHORT 1 OF THE ECMA IPO CLINIC

**APPLICATION DEADLINE:  
OCTOBER 31<sup>ST</sup>, 2025**



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ETHIOPIAN CAPITAL  
MARKET AUTHORITY



UK International  
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# BACKGROUND

Capital markets development is a key component of the Government of Ethiopia's (GoE) Home-Grown Economic Reform Program and the 10-Year Development Plan (2021- 2031). In line with this commitment, the Capital Markets Proclamation (No. 1248/2021) was adopted by the House of Peoples' Representatives in June 2021, which included the establishment of the Ethiopian Capital Market Authority (ECMA).

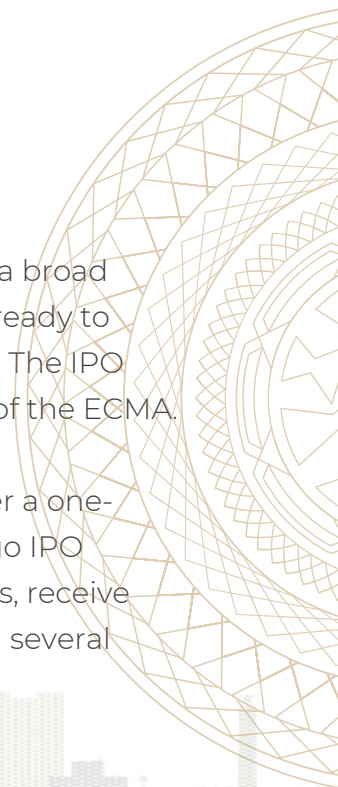
The Ethiopian Capital Market Authority is committed to promoting the development of the capital market by creating an enabling environment for long-term investments. However, gaps remain, including limited understanding of regulatory requirements and the need to strengthen operational and financial capacity to participate in the market. Addressing these gaps requires efforts from policymakers, regulators, and market participants to build infrastructure, strengthen governance, and improve market awareness, leveraging lessons from more mature markets to accelerate Ethiopia's progress. Additional support is also needed to build a pipeline of companies ready to issue and trade securities.

Consequently, the ECMA, with the support of the World Bank, has established IPO Clinic as a stop gap solution to address current market gaps. The Clinic serves as a critical enabler, providing guidance and technical support to companies preparing for public markets and assessing their readiness for IPOs while addressing systemic challenges in the budding capital market ecosystem.

## ABOUT THE IPO CLINIC

The IPO Clinic is being established as a project office under the ECMA with a broad mandate to undertake activities towards building a pipeline of companies ready to participate in the Ethiopian capital market via equity issuances and listings. The IPO Clinic operates at an arm's length from the regulatory and other functions of the ECMA.

The IPO Clinic operates a structured program of supporting companies over a one-year period, wherein companies admitted into the IPO Clinic would undergo IPO readiness diagnostic assessments to identify gaps in their readiness for IPOs, receive technical guidance and support to remediate gaps identified, participate in several capacity building and training programs and begin preparation for an IPO.



# ABOUT ECMA

The Ethiopian Capital Market Authority was established under Article 3(1) of Proclamation No. 1248/2021 as an autonomous Federal Government Regulatory Authority with its own juridical personality, mandated to protect investors, maintain a fair, efficient, and transparent capital market, reduce systemic risk, and promote market development.

# FSD ETHIOPIA

FSD Ethiopia is a development agency that aims to support the development of accessible, inclusive, and sustainable financial markets for economic growth.

Established in 2021, FSD Ethiopia works on identifying the underlying factors that contribute to financial system failures, enabling market participants to address these constraints and help build a functional and effective financial sector that contributes to economic growth. FSD Ethiopia provides technical assistance, grants, and research insights to policymakers, regulators, and market actors to drive large-scale change in financial markets and support sustainable economic development.

You may find more about FSD Ethiopia on their website: <https://fsdethiopia.org/>

# OBJECTIVES OF THE CLINIC

The primary objective of the IPO Readiness Clinic is to:

- Enhance understanding of the IPO and listing/ OTC trading process among Ethiopian companies.
- Build a pipeline of IPO-ready companies by assessing the readiness of participating companies, including SOEs, to undertake an IPO and support them to remediate identified gaps.
- Provide tailored guidance on regulatory, financial, and operational aspects necessary for a successful IPO.
- Connect companies with relevant industry experts, including investment advisers, accountants, legal advisers, and regulators necessary for an IPO.
- Serve as a stop-gap solution to address immediate challenges in Ethiopia's nascent capital market while laying the groundwork for a sustainable, competitive, and innovation-friendly capital market ecosystem.



# SCOPE OF THE CLINIC

The Clinic will utilize a structured framework for undertaking IPO readiness assessment and preparation of selected entities. The framework utilized by the Clinic shall incorporate at least the following with regards to each entity:

- Corporate governance
- Financial reporting, transparency, and disclosure
- Risk management and internal control
- Leadership and commitment by management
- Investor relations and communication
- The proposed strategy and business plan and prospects of each entity
- Publicly available information on reputation, credibility and perception of the company
- Readiness to comply with IPO requirements, listing requirements, regulatory directives, and disclosure obligations





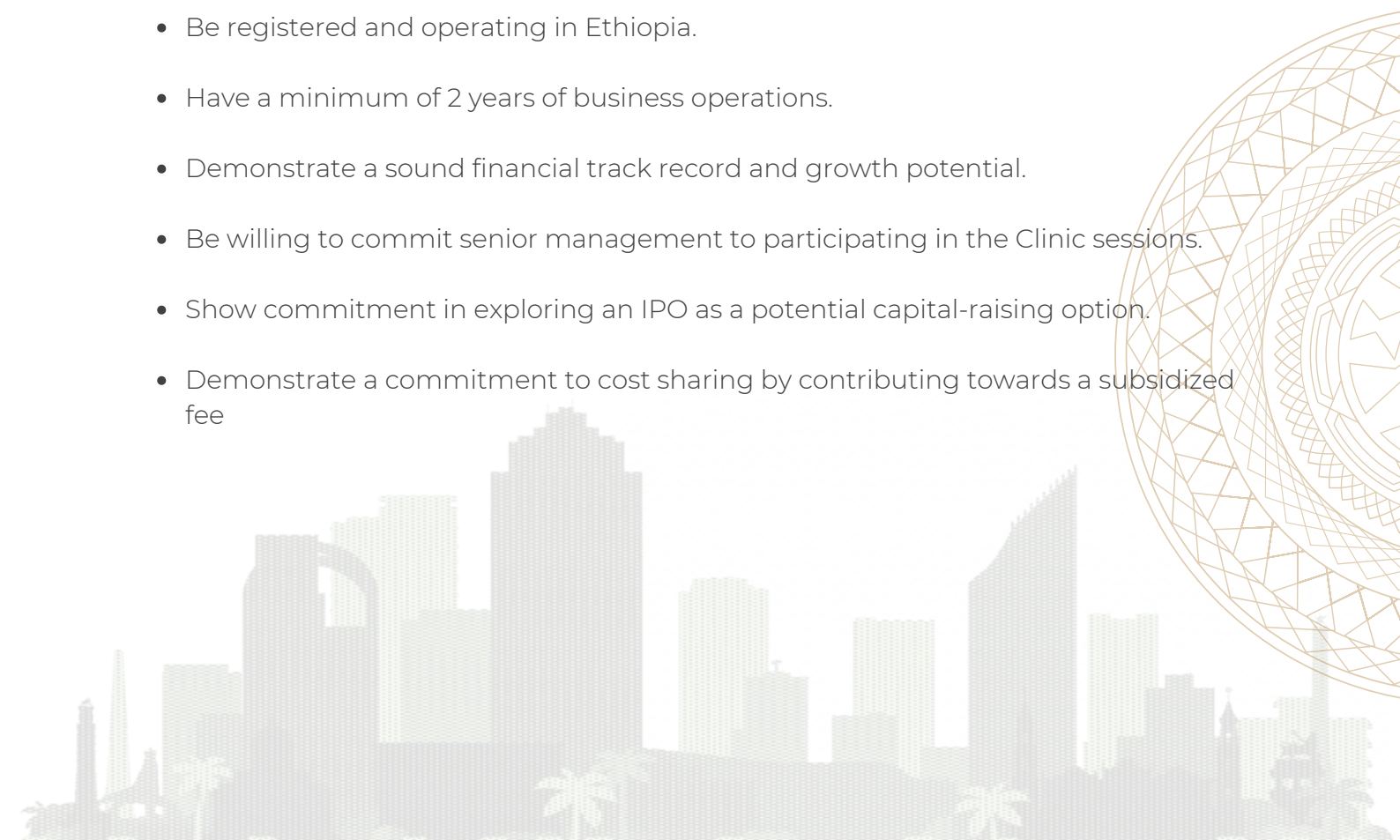
# EXPECTED BENEFITS FOR PARTICIPANTS

- In-depth training on IPO requirements and processes.
- Access to experts in finance, law, compliance, and corporate governance.
- Individualized assessments of IPO readiness.
- Networking opportunities with potential investors, regulators, and advisors.
- Better prepared and more credible, thereby strengthening investor confidence and enhancing overall market trust.
- Facilitates peer-to-peer learning from success stories of other listed firms.
- Help demystify the IPO process and reduce misconceptions.
- Strategic guidance on improving business practices to meet ECMA's registration requirements of publicly offered securities and IPO standards.

## ELIGIBILITY CRITERIA

To be eligible for the Clinic, companies must:

- Be registered and operating in Ethiopia.
- Have a minimum of 2 years of business operations.
- Demonstrate a sound financial track record and growth potential.
- Be willing to commit senior management to participating in the Clinic sessions.
- Show commitment in exploring an IPO as a potential capital-raising option.
- Demonstrate a commitment to cost sharing by contributing towards a subsidized fee



# COHORT 1 OF THE IPO CLINIC

Invitation for Application to be Admitted into the IPO Clinic (Cohort 1)

This call for application invites Ethiopian companies including private limited company, share company, and State-Owned Enterprises (SOEs) to submit applications to participate in the cohort 1 of the IPO Clinic. Interested companies should apply for admission into the Clinic which should contain

- The company's profile, including an overview of the business, sector, products/services, history, board and management structure which includes their respective names and profiles
- Analysis of the company's financial performance in the last 2 years
- Business, regulatory environment and future outlook of the company
- Names, designation and CVs of at least three (3) senior executives who will participate fully in the Clinic activities
- Reasons for exploring an IPO or listing with expected benefits

The application should be accompanied by the following documents

- Copies of business registration certificates and licenses.
- Proof of tax compliance
- 2 – 5 years Audited Financial Statements, depending on business operation year of the company
- Decision by the Board and/or management of the Company to explore IPO and/or listing
- For SOEs, a no-objection letter or letter of approval from EIH
- Signed undertaking to participate fully in the clinic and adhere strictly to the rules and regulations of the clinic.
- Other supporting documents may be required by the clinic.

The ECMA IPO Clinic encourages applications from companies that demonstrate leadership in gender inclusion, green or climate-aligned business models, and broader sustainable development objectives. Companies with strong sustainability credentials may be given additional consideration during the evaluation process.

Submitted applications should not exceed 10 pages (excluding annexures). Applications must be submitted in PDF format to [ipoclinic@ecma.gov.et](mailto:ipoclinic@ecma.gov.et) ; by 12 PM noon on or before **31<sup>st</sup> October 2025** with the **Subject Line: "Application to Participate in Cohort 1 of the ECMA IPO Clinic – [Company Name]"**,

# EVALUATION CRITERIA

Applications would be evaluated based on:

- Alignment with the Clinic's objectives.
- Financial stability and growth potential.
- Commitment to the IPO process.
- Senior management involvement and readiness to participate.
- Completeness and quality of the submitted application.
- Sustainability Orientation and Impact (Bonus Points): Applicants may receive additional recognition for alignment with any of the following:
  - Gender-inclusive ownership, leadership, or employment practices
  - Participation in or alignment with green sectors (e.g., renewable energy, climate-smart agriculture, circular economy)
  - Demonstrated social impact or alignment with SDGs
  - Products or services that advance environmental or social outcomes
  - Commitments to ESG integration in future IPO readiness
- Additional criteria for admission into the clinic are outlined in **Annex 1** of this document.





# COMMITMENT OF COMPANIES PARTICIPATING IN THE IPO CLINIC

- Active Participation: Ensure senior management and key staff attend and actively engage in all Clinic sessions.
- Transparency: Provide complete, accurate, and timely information about the company's governance, operations, and financials.
- Good Governance: Strengthen board effectiveness, internal controls, and decision-making processes in line with regulatory standards.
- Compliance: Align company policies, procedures, and disclosures with capital market regulations and address gaps identified during the Clinic.
- Responsiveness: Act on feedback from regulators and advisors promptly and in good faith.
- Capacity Building: Dedicate time and resources to apply lessons learned and institutionalize best practices within the organization.
- Confidentiality: Protect market-sensitive information shared during the Clinic and uphold ethical conduct.
- Preparedness: Demonstrate a willingness and readiness to explore public listings within the next 18-24 months.

## CONTACT INFORMATION

For inquiries or further clarification, please contact:

**Name:** Haile Meseret

**Email:** [hmeseret@ecma.gov.et](mailto:hmeseret@ecma.gov.et)

## CONFIDENTIALITY

All information provided in response to this call for application will be treated as confidential and will only be used for the purpose of evaluating the suitability for participation in the clinic.



# DISCLAIMER

This call for application does not constitute an offer to form a contract or a binding agreement. The ECMA reserves the right to modify, cancel, or reissue this call for application at any time.

We look forward to receiving your applications and helping Ethiopian companies take the next step toward accessing capital market.



## ANNEX 1 – DETAILED ELIGIBILITY CRITERIA FOR COMPANIES SEEKING ADMISSION INTO THE IPO CLINIC.

Criteria	Growth Company	Mature Company
Revenue Size	<250,000,000 ETB	>250,000,000 ETB
Revenue Growth Rate	>=20% y-o-y	>=5% y-o-y
EBITDA Margin	>=10%	>=5%
Average Management Team Experience	5 Years	10 Years
Return on Equity	>5%	>10%
Debt to Equity Ratio	< 1 : 1	< 1 : 1
Age	>/=2 years	>5 years
Legal Structure	Private limited company, share company, and State-Owned Enterprises (SOEs)	Private limited company, share company, and State-Owned Enterprises (SOEs)
Financial Reporting	At least 2 years audited financial statement	At least 3 years audited financial statement
IPO Readiness	Demonstrate a willingness and readiness to explore public listings within the next 18-24 months, evidenced by Board resolution.	Demonstrate a willingness and readiness to undertake public listing within the next 12-18 months, evidenced by Board resolution, and For SOEs, a no-objection letter or letter of approval from EIH.