

Initial Public Offerings And Direct Listings Fact Sheet

	Initial Public Offering	Direct Listing
Is there an Underwriter(s)	Yes	No, however a bank can be chosen by the company to act as a financial advisor. The financial advisor's role is to coordinate the first trade in the security on Nasdaq.
Offering Price	The price at which publicly issued securities are made available for purchase by the investment bank(s) underwriting the issue.	No public offering price, since there is no offering.
Offering Size	Number of shares the company is selling in their public offering.	In a Direct Listing, no shares are offered for sale to the public by the Direct Listing company. The company registers all shares with the SEC for resale. Registration statement will include any lock-up provisions.
New Listing Publication (<i>Daily List</i>)	Nasdaq provides advance notification of new listings, including IPOs, through broad market notification. Other information provided in <i>Daily List</i> includes delistings, corporate name changes, trading symbol changes, market tier changes and Financial Status Indicator (FSI) changes.	Same process
Equity Trader Alert (ETA)	Generally speaking, Nasdaq will not issue an ETA around a specific IPO.	On occasion, Nasdaq will provide notification to the investment and trading community about upcoming unique listings, such as when-issued trading and Direct Listings, through an ETA.

<p>Listing Confirmation + System Start Up</p>	<p>The Lead Underwriter and/or Stabilization Agent for an IPO contacts the Nasdaq Corporate Data Operations Department to confirm offering details ahead of System Start Up. The bank also selects when the Display Only Period will commence (no earlier than 10am). Nasdaq will accept orders in IPO securities beginning at System Start Up. System Start Up occurs at 8am.</p>	<p>Same Process with the exception that a company's financial advisor would perform the functions performed by the stabilization agent in an IPO</p>
<p>Eligible Order Types</p>	<p>Regular market orders, limit orders and quotes are all eligible to participate, including Day, Good Until Cancel (GTC), Immediate Or Cancel (IOC).</p> <ul style="list-style-type: none"> • All Time-in-Force types are eligible to participate. • No additional special handling instructions are permitted. 	<p>Same order types are available</p>
<p>Nasdaq IPO Execution Team</p>	<p>The Nasdaq IPO Execution Team, which is led by a senior Equity Capital Markets expert, works directly with the stabilization agent, the syndicate and Nasdaq's regulatory and market operations teams to ensure a fair and orderly opening.</p> <p>The Nasdaq IPO Execution team does not trade listed securities but rather serves as an extension of the underwriting syndicate to ensure the transparent dissemination of information.</p>	<p>Same team is available to ensure the seamless debut of a direct listing.</p>
<p>Communication</p>	<p>For every IPO, the Execution Officer will have direct one-on-one communication with the stabilization agent throughout the process, leading up to and after the official opening occurs.</p> <p>Nasdaq also provides access to a secondary line for IPOs. Real-time updates are provided to the broker-dealer community on price, paired shares and most importantly, the official opening timing.</p>	<p>Same communications options are available to the financial advisor(s) for a direct listing</p>

<p>Display-Only Period</p>	<p>Pre-open quoting, indicative clearing price and imbalance information dissemination begins.</p> <p>Nasdaq continues accepting quotes and all order entry.</p> <p>Indicative clearing price and imbalance information dissemination begins and is updated every 5 seconds until the security opens for trading.</p> <p>Display only period last for 10 minutes.</p>	<p>Same process</p>
<p>NOII - Net Order Imbalance Indicator</p>	<p>Nasdaq disseminates information regarding the buying and selling interest in an IPO security via a public data feed called the “NOII” or Net Order Imbalance Indicator. The NOII shows the current indicative price, total paired shares at the indicative price and the imbalance shares and imbalance side at the indicative price.</p>	<p>Same data feed and transparency is available.</p>
<p>Transparency: IPO Indicator</p>	<p>To bring greater transparency and efficiency to the IPO process, Nasdaq offers the IPO Indicator for use by all market participants. This unique tool, exclusive to Nasdaq and its member firms, allows users to see all of their firm’s orders for an IPO during the pre-IPO quoting period. The IPO Indicator also shows the number of shares and orders that would execute for that particular firm if the cross were to occur at that indicative price and time. Click on Nasdaq IPO Indicator for more information.</p>	<p>The IPO Indicator tool is available to all market participants for a Direct Listing.</p>

<p>Transparency: IPO Book Viewer</p>	<p>Nasdaq provides information from the IPO order book to stabilization agents during the IPO Open process. This increased level of transparency will improve the stabilization agent's ability to accurately price the IPO security and create an orderly trading environment.</p>	<p>The IPO Book Viewer tool is available to the financial advisor for a Direct Listing.</p>
<p>Pre-Launch Period</p>	<p>The period immediately following the display-only period, during which the stabilization agent, in coordination with Nasdaq, will determine whether additional price discovery is necessary to ensure the fair and orderly launch of trading.</p> <p>The Pre-Launch Period will not have a defined minimum or maximum time period.</p> <p>Market participants will continue to be able to enter and cancel orders during the Pre-Launch Period.</p>	<p>Same process except the financial advisor coordinates with Nasdaq, as opposed to the stabilization agent.</p>
<p>Official Opening Time</p>	<p>Nasdaq IPO's officially opens once the stabilization agent has decided that sufficient price discovery has taken place in the Display Only and Pre-Launch periods. There are no specific time constraints that Nasdaq places on the stabilization agent to open an IPO.</p> <p>Important to note, IPO's on Nasdaq are not eligible to open prior to 10:00 am est.</p>	<p>Same practice is in place for Direct Listings, except the financial advisor coordinates with Nasdaq, as opposed to the stabilization agent.</p>

<p>IPO Commencement: Official Opening</p>	<p>The Stabilization Agent will coordinate the official open with Nasdaq's IPO Officer.</p> <p>Only when the Stabilization Agent communicates to Nasdaq that they are ready to proceed and confirmation occurs between the parties, will the IPO Cross be initiated by the Nasdaq IPO Officer and the security will be officially opened for trading.</p>	<p>Same process is available. The Nasdaq IPO Officer coordinates the official opening with the financial advisor.</p>
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