



## Newsletter

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### About TAG-Value

As a member of TAG-Org, Abu-Ghazaleh Valuation (TAG-Value) is an international valuation and consulting firm with offices spanning the Middle East and North Africa, and a network of associates and representatives that spreads to Asia, Europe, North and Latin America. TAG-Value's expertise covers a complete range of services that include Valuation, Due Diligence and Financial Modeling.

TAG-Value was established at a time when the valuation profession was still in its early stages of development in the Arab region. Since the early beginnings, TAG-Value has consistently been spearheading the efforts to develop the framework of valuation services worldwide.

TAG-Value has an impeccable record of assisting and supporting governments, public institutions and non-governmental organizations in raising the levels of awareness of the importance of business valuation and the valuation of intellectual property in several Arab countries such as Syria, Lebanon, Tunisia, Jordan, Saudi Arabia and the United Arab Emirates. We offer the business community an array of services aimed at delivering sensible

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and tangible solutions, derived from experience and combined with sound judgment. Our team of professionals has extensive experience in providing efficient solutions to any situation covering nearly every industry sector.

*Source: Abu-Ghazaleh Valuation Co. Manual for Business Valuation.*

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## **Our Valuation Services**

As the business environment is constantly changing, becoming more complex and sophisticated, businesses must be flexible and ready to adapt and respond promptly. Valuation is a crucial component of the management process that leads to understanding the underlying dynamics of your enterprise. Valuation is therefore essential for estimating the fair value of your business, financial assets or even liabilities.

### **TAG-Value offers the following Business Valuation services:**

#### **Securities Valuation**

Securities are negotiable and exchangeable instruments that represent a financial value, and they are categorized as either debt securities, such as bonds and debentures issued by governments and corporations, or equity securities, such as common and preferred stocks, which reflect a proof of partial ownership or right in a corporation.

TAG-Value provides the valuation of a broad range of securities, which include equity, equity and interest rate options, swaps, treasuries, corporate and government bonds, mortgage-backed securities, collateralized mortgage obligations, credit derivative swaps, and many more.

TAG-Value uses diagnostic tools for valuing securities, applying a series of mathematical relationships and financial models to determine the price at which a security should be exchanged.

#### **Stock Valuation**

We apply sophisticated valuation techniques that can be used to find the fair value of stock options. These valuation techniques include:

- Monte Carlo simulations
- The Black-Scholes Models
- Lattice models, including the Binomial Options Pricing model.
- Synthetic option modeling

#### **Tangible Asset Valuation**

Our team of experts works in conjunction with university professors and experts in various fields, along with licensed appraisers in order to value a wide range of tangible assets.

Our areas of expertise of valuing tangible assets include:

- Real Estate such as;
  - ◇ Residential sector: apartments, housing buildings, villas, condos.
  - ◇ Commercial sector: office space, retail space, hotels.
  - ◇ Industrial properties.
  - ◇ Land.
- Machinery & Equipment
  - ◇ Machinery: multi-purpose machines, special use machines.
  - ◇ Equipment: sporting equipment, apparatus, gear, material.
  - ◇ Vehicles: trucks, bulldozers, cars, motorbikes, loaders, forklifts, cranes, compactors.
  - ◇ Oil Pumps.
- Mines & Mineral Reserves
  - ◇ Valuation of fully developed and operational mines
  - ◇ Valuation of partly explored deposits, exploration property
  - ◇ Major and minor material, metallic and non-metallic material and fuel minerals
  - ◇ Open-pit as well as underground mines
- Specialized Assets
  - ◇ Aircrafts, aircraft engines (gas turbines)
  - ◇ Ocean-going vessels
  - ◇ Gas turbines for energy generation
- Infrastructure
  - ◇ Airports
  - ◇ Harbors and ports
  - ◇ Railroads and highways
  - ◇ Lakes and water bodies
  - ◇ Mineral reserves

### **Valuation of Intellectual Property and Other Intangible Assets**

A company's overall value comprises tangible and intangible assets and intellectual property rights. According to recent studies, close to 70% of a corporation's value lies in its intangible assets. According to Financial Accounting Standards Board (FASB), intangible assets are any assets that are neither physical nor financial nor human.

TAG-Value offers Intellectual Property valuation solutions for brands, patents, trademarks, trade names, industrial designs, copyrights, and other intangible assets.

### **Purchase Price Allocation**

Purchase Price Allocation (PPA) is the process in which fair and new values are assigned to all assets, as well as liabilities, based on the paid price of an acquired business entity following a merger or an acquisition. The need for this process stems from the fact that the book values of many companies are considered less than market values.

PPA aims at allocating new values that are characterized as accurate which allows arriving at a net residual value that is eventually attributed to goodwill, which is subject to annual impairment tests rather than amortization as in the case of other intangible assets.

### **Goodwill Impairment Testing**

After the Financial Accounting Standards Board has adopted the Statement of Financial Accounting Standards 142, audited companies are required to test goodwill at least once annually for impairment.

Goodwill impairment takes place when the value of the goodwill of a business unit declines to an amount less than the carrying value of the goodwill on the company's books.

TAG-Value provides you with a complete set of tests that enables you to determine the annual value of your goodwill.

### **Valuation Review and Fairness Opinion**

A fairness opinion is a report with a primary objective of determining whether a business transaction is fair from a financial point of view to other parties such as but not limited to shareholders and retirement plan beneficiaries who are not directly involved in the actual dealings that include negotiations and execution. Such reports are usually sanctioned by top management in order to obtain a non-biased third-party opinion that attests to the fairness of the transactions.

We conduct rigorous valuation reviews and provide our clients with fairness opinions in regards to their transactions such as buybacks, spin-offs and private placements.

### **Valuation Consulting**

Our team of professionals provides you with consultations in respect to:

- Privatization
- Mergers & Acquisitions
- Litigation
- Buy/sell agreements
- Stock option plans
- Financial reporting
- Reorganizational purposes
- Business Dissolution & Liquidation

## Abu-Ghazaleh Receives Australian Ambassador to Jordan, Discusses Issues of Mutual Interests

AMMAN - HE Dr. Talal Abu-Ghazaleh, founder and chairman of Talal Abu-Ghazaleh Global (TAG.Global), received in his office HE Mr. Miles Armitage, Ambassador of Australia to Jordan, with his deputy Mr. Mark Donovan, to discuss means of cooperation in various fields.



As Ambassador Armitage is concluding his post in Jordan, Dr. Abu-Ghazaleh expressed his gratitude and appreciation for the Ambassador's role and efforts in developing Jordanian ties of friendship and cooperation with Australia, praising his keenness on improving economic ties in particular. He also commended his success and achievements during his four-year and a half term in Jordan.

Dr. Abu-Ghazaleh also praised the role Australia plays regionally and internationally, in view of Australia's huge global market. He affirmed that TAG.Global office in Australia is being reactivated to continue offering a wide range of professional services in all fields including Intellectual Property, Corporate Governance and E-Archiving among others, in addition to educational and digital learning (Remote Learning) services.

Responding to the Ambassador's question about TAG.Global's success despite the crisis, which the whole world is experiencing, Dr. Abu-Ghazaleh said: "TAG.Global has in advance prepared a strategy to overcome the crises which we expected years ago, therefore, we have digitalized all our services and businesses, a secret that helped us turn the crisis into an opportunity."

Dr. Abu-Ghazaleh added that in view of the impact of the Corona pandemic the crisis will last for a long time, taking into account that the simple vaccines need ten years to be fully developed and patented, pointing out that the current vaccine is part of a temporary solution, along with the preventive measures individuals need to abide by.

For his part, Ambassador Armitage expressed his high regard for the predictions of Dr. Abu-Ghazaleh on the economic and political future of the world that were widely circulated and actually proved realistic; thus, they received much attention world media attention.

Mr. Armitage also stated that investing in human capital is the future, expressing his admiration that TAG.Global, the world's largest company, had hired more than 100 employees during the financial crisis, contrary to what other companies did.

In addition, the Australian Ambassador expressed his pride in the personal friendship he maintains with HE Dr. Abu-Ghazaleh.

It is worth mentioning that Talal Abu-Ghazaleh Global (TAG.Global) has inaugurated its office in Sydney, Australia in 2019, with the aim to strengthen TAG.Global's expansion strategy and maintain a strong and influential presence in every major city in the world. The office also provides its services to local clients in New Zealand.

## 'Abu-Ghazaleh Knowledge Forum' Hosts CEO of Social Security Investment Fund

AMMAN – Talal Abu-Ghazaleh Knowledge Forum (TAG-KF) hosted Chief Executive Officer (CEO) of the Social Security Investment Fund (SSIF), Ms. Kholoud Saqqaf, in a virtual session to discuss the Fund's Investments and its future outlook, through live streaming on the Forum's Facebook page.



During the meeting, Saqqaf focused on Coronavirus (COVID-19) pandemic and its impact on global economy, pointing out that the SSIF's immediate response to the resulting economic complications enabled it to continue achieving positive returns on its different investments.

She noted that the SSIF's decisions reflected positively on the growth of the financial assets to exceed JD11 billion at the end of the third quarter of this year, in addition to enabling the Social Security Corporation (SSC) to launch a number of social protection programs to address the consequences of the pandemic.

Saqqaf affirmed that the pandemic created extraordinary and unprecedented circumstances that forced everyone to rearrange their priorities and quickly respond to seize the new opportunities made available in different sectors mainly relating to food and health security in addition to achieving self-sufficiency.

According to Saqqaf, the SSIF measures included: increasing the Fund's contribution in a number of pharmaceutical companies, investing in a number of infrastructure projects and public-private partnership projects especially in health, education, services and real estate development projects; in addition to establishing the Social Security Corporation for Investment and Agricultural Industries at the end of August 2020, which will manage its first agricultural project in the southern region of the Kingdom to produce vegetables and animal fodder.

Furthermore, Saqqaf stated that the Fund's financial strength reflects the Corporation's investment decision-making approach, which is based on profitability in accordance with an integrated system of good governance, good management, and sound global practices in managing retirement funds. That, she affirmed, assisted the Fund in providing a solid basis that contributes to the sustainability of the current and the future social protection system of the SSC.

During the session, Saqqaf reviewed the historical development of the Fund's financial assets growth since its establishment and the most prominent indicators of the financial performance of different investment portfolios as well as the investment policy and decision-making mechanism.

For his part, Mr. Fadi Daoud, Executive Director of TAG-KF and Talal Abu-Ghazaleh Global (TAG.Global) Education and Youth Consultant, who moderated the session, pointed out that Talal Abu-Ghazaleh Knowledge Forum organized during the coronavirus crisis organized the digital virtual session with Ms. Kholoud Saqqaf as part of a series of online meetings and discussions.

He also concluded that the event was held within the strategy of TAG.Global in its digital transformation, including the Forum's activities and events.

## 'Abu-Ghazaleh for Technologies' Launches its Special Customer Service Center in Jordan

AMMAN – Talal Abu-Ghazaleh for Technologies (TAG. Tech), a member of Talal Abu-Ghazaleh Global (TAG.Global), established a special Customer Services Center in Jordan, in view of its services and retailers expansion as well as the increasing number of its customers in Jordan and worldwide.



TAG. Tech Customer Service Center strives to meet its customers' needs, to improve the level of services provided to them and to interact with them to maintain their trust and loyalty.

TAG. Tech International Marketing Executive Director, Mr. Ramez Quneibi, stated that TAG. Tech Customer Service Center aims at establishing a focal point between TAG. Tech and its customers, and to meet the increased demand for TAG. Tech electronic devices.

He also added that the establishment of the Center came in conjunction with the launch of a special a customer loyalty program that rewards customers by valuable gifts from TAG. Tech products based on how many points they collect because of their TAG. Tech products purchases.

The TAG. Tech Customer Service Center allows customers to contact and inquire about TAG. Tech electronic products as well as to order and benefit from the several available services, including sales, maintenance and after-sales services. In addition, it opens the door to receive customer's suggestions, complaints and others by contacting this phone number: 065100250

TAG. Tech website has been updated to allow customers to purchase and pay online; in addition, a team of qualified employees has been formed to follow up on all received inquiries and suggestions via phone, website and social media platforms. Talal Abu-Ghazaleh for Technologies (TAG. Tech) has started manufacturing electronic devices in China, which reached 15 devices of TAG. Tech series including laptops and tablets, smartphone (TAG-Phone) offered in more than 50-locations worldwide.

**For further information about TAG. Tech, please visit: [www.tagtech.global](http://www.tagtech.global)**

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