



**MEKDAM**  
HOLDING GROUP

**Mekdam Holding Group Q.P.S.C**  
**Increasing the capital**  
**by offering private subscription rights**

**May 8, 2023**

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This is an English translation of the Arabic Prospectus that was approved and published on May 8, 2023. It is considered a draft that is provided only as guidance for non-Arabic speakers.

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## Introduction

The Board of Directors of Mekdam Holding Group Q.P.S.C. decided in its meeting held on April 20, 2023 to increase the group's capital by 40% (from QAR 75 million to QAR 105 million) by offering 30 million ordinary shares for subscription to the shareholders of Mekdam Holding Group and those who have rights to subscribe to shares at the rate of (2) two shares for every (5) five shares owned (the "subscription rights"), in accordance with Commercial Companies Law No. 11 of 2015 amended by Law No. 8 of 2021 and the Offering and Listing of Securities Regulations in Financial Markets and the Rights Issue Trading Rules, issued by the Qatar Financial Markets Authority (the "Authority").

The subscription rights to the new shares will be offered to the group's shareholders registered in the register of shareholders deposited with Qatar Central Securities Depository ("Qatar Central Depository") at the close of trading at the end of Sunday 11 June 2023 (qualified shareholders). Any person (natural or legal) holding Subscription Rights at the end of the trading period on Monday 17 July 2023, which they acquired either as a qualified shareholder or by purchasing them during the trading period ("rights holder") to subscribe to the new shares. The new shares will be offered at QAR 2.51 per share (QAR 1 nominal value per share in addition to an issuance premium of QAR 1.51 per share). The issuance premium includes the offering fee, which will not exceed 1% of the value of the subscribed shares.

The Board of Directors also decided to invite shareholders to attend an extraordinary general assembly to approve the increase after obtaining the approval of the Qatar Financial Markets Authority and the Ministry of Commerce and Industry.

## Information about Mekdam Holding Group

Company	Mekdam Holding Group Q.P.S.C
Head office	Doha, Qatar
Listing venue	The main market of Qatar Stock Exchange
Current capital	75,000,000 (Seventy Five Million) shares
The nominal value of the share	QAR 1.00
Proposed increase	30,000,000 (Thirty Million) shares
The purpose of the increase	To support and finance the company's growth in the future period
Auditor	Russell Bedford

## Dividend Statement for The Last Two Years

Year	Cash Dividend (QAR)	Bonus Shares
2021	17,500,000	18,000,000
2022	23,800,000	7,000,000

## The Capital Increase Mechanism

The mechanism for increasing the group's capital will be in accordance with the provisions of the Commercial Companies Law No. (11) of 2015 amended by Law No. 8 of 2021, the Offering and Listing of Securities Regulations and the Rights Issue Trading Rules issued by the Qatar Financial Markets Authority.

- The number of new shares submitted for issuance of subscription rights is 30,000,000 ordinary shares.
- The value of one share is QAR 2.51 (QAR 1 nominal value in addition to QAR 1.51 issuance premium). The issuance premium includes the offering fee, which will not exceed 1% of the value of the subscribed shares.
- Subscription rights will be granted to the company's shareholders registered in the shareholder register with Qatar Central Securities Depository Company on the closing date of trading on Sunday, June 11, 2023.

## Rights Trading

- 1- A request to list the subscription rights shall be submitted to the Authority upon the approval of the competent authority, and within a maximum of ten days from the date of issuance of the decision of the Extraordinary General Assembly.
- 2- Upon issuance of the approval of the Authority, an application shall be made to the Qatar Stock Exchange to activate the mechanism for trading the subscription right in the market, and then request the Qatar Central Depository Company to add the subscription rights for the company's shareholders.
- 3- Subscription rights are considered tradable in the market after at least two days from the date of the Authority's approval of listing them and before (15) fifteen days from the date of starting the subscription for the new shares.
- 4- The trading period for subscription rights begins on Tuesday, July 4, 2023, and ends on Monday, July 17, 2023, and the trading period for subscription rights is (10) working days.
- 5- The right to subscribe to shares is granted to the holders of the subscription rights at the end of the trading period for the subscription rights in accordance with Clause (1)
- 6- Subscription rights shall be traded independently of the original share subject to increase
- 7- Subscription rights are not subject to mortgage or freezing, and may not be purchased through margin financing

## Subscription

- 1- The subscription period for shareholders and rights holders starts on Tuesday, July 25, 2023, and ends at 1:00 pm Doha local time on Monday, August 7, 2023. The subscription period begins on the sixth day after the end of the rights trading period, and the subscription period is (10) Ten working days.
- 2- Shareholders have the right to subscribe to any number of shares equivalent to 40% of their current shares, at the rate of (2) two shares for every (5) five shares owned, and shareholders may not request an increase from the mentioned percentage.



- 3- Shareholders and subscription rights holders submit subscription applications accompanied by the required documents (identity proof and subscription right) through the subscription bank.
- 4- Subscription applications must be submitted to the bank before 1:00 pm, according to the local time of Doha, on Monday, August 7, 2023.
- 5- The conditions of the subscription bank shall be considered in receiving, accepting or rejecting subscription applications as shown in the subscription invitation form.

### **The Mechanism of Disposing of Unsubscribed Shares**

- 1- The group will provide the Qatar Financial Market Authority and the Depository Company with the names of those who subscribed to the shares of the increase, the number of shares subscribed for by each of them, the ownership percentage of each of them in the company's capital after the increase, and the number of shares remaining without subscription.
- 2- The depository company shall, after obtaining the Authority's approval, register all the excess shares subscribed for in the names of the subscribers and register the unsubscribed shares in a new temporary account in the name of the group established for this purpose.
- 3- The unsubscribed shares registered in the temporary account in the market shall be disposed of according to regulations of the Qatar Financial Markets Authority within a period of two weeks.
- 4- Immediately after the end of the period of disposal of the shares, the group or the financial services companies (the trading company) shall notify the Authority of the number of shares that have been disposed of, the proceeds of that, and the number of remaining shares.
- 5- The depository company shall provide the Qatar Financial Market Authority and the group with a list of those names whose names the shares were registered to during the period of disposing of the shares registered under the temporary account.
- 6- The group will record the proceeds of the subscription process in the shares referred to in item (2) minus the value of these shares at the issuance price, as well as the expenses and commissions resulting from that, as trusts in favor of the rights holders who did not exercise the right to subscribe, each according to their contribution.

### **Shares Allocation**

- 1- Share fractions will not be considered as part of the share of the subscriber's shares, meaning that the subscribers' shares will be calculated as whole numbers after neglecting any fractions.
- 2- If any subscriber requests to subscribe for what is equal to his existing share or less than it, he will be allocated all the shares for which he subscribed and paid their value.
- 3- The issued shares will be allocated to the subscribers based on item (2) above, provided that the bank receives the subscription applications and the value of the subscribed shares in full on the set dates.

## The Result of The Capital Increase

If the capital increase is fully covered, the group's equity is as follows:

	Before the increase (current position)	After the increase
Capital	75,000,000	105,000,000
Issuance premium	-	45,000,000
Legal reserve	6,281,028	6,281,028
Retained earnings	9,731,450	9,731,450
<b>Shareholders' equity</b>	<b>91,021,478</b>	<b>166,012,478</b>

## The Reason for The Capital Increase

The company achieved good growth in previous years, as the company's revenues grew by 94.3% and 85.4% in the years 2021 and 2022, respectively, compared to previous years. The earnings per share grew by 21.1% and 20% in the years 2021 and 2022, respectively, compared to previous years. The Board of Directors of the group believes that the group's business is promising and there are great opportunities for steady growth.

## Share Pricing

The Investment Committee of the Board of Directors of the Group studied the method of pricing the new shares. Two methods were used to reach the fair price of the share. The team looked at the average share price over the last three months and calculated the profitability multiples to arrive at the share price.

Period	Average Share Price
From January 1, 2023 to March 31, 2023	QAR 6.79

Company profits in 2022	QAR 34,254,490
Earnings Multiple (Qatar Stock Exchange – December 31, 2022)	11.92
Number of Shares	75,000,000 shares
Share value	QAR 5.44

The team decided to recommend to the Board of Directors that the price of the new shares be QAR 2.51 (QAR 1 nominal value in addition to QAR 1.51 issuance premium inclusive of the offering fees) to encourage shareholders and rights holders to subscribe to the capital increase shares.

### The Agenda of the Extraordinary General Assembly

1- Discussing and approving an increase in the group's capital by 40% (from QAR 75 million to QAR 105 million) by offering 30 million ordinary shares for private subscription to the shareholders of Mekdam Holding Group and those who have rights to subscribe to the shares by (2) two shares For every (5) five shares owned (hereinafter referred to as "subscription rights") in accordance with the provisions of the Commercial Companies Law No. (11) of 2015 amended by Law No. 8 of 2021 and the Offering and Listing of Securities Regulations and the Rights Issue Trading Rules issued by the Qatar Financial Markets Authority. The price of the new shares will be QAR 2.51(QAR 1 nominal value plus QAR 1.51 issuance premium) for each share. The issuance premium includes the offering fee, which will not exceed 1% of the value of the subscribed shares. Provided that the group obtains the necessary approvals from the regulatory and competent authorities during and upon completion of the procedures.

2- Discussing and approving the mechanism for trading the subscription rights granted to the shareholders of the group in accordance with the provisions of Article (195) of the Commercial Companies Law No. (11) of 2015 amended by Law No. 8 of 2021 and the Offering and Listing of securities, and the Regulations of Rights Issue Trading Rules issued by the Qatar Financial Markets Authority.

3- Discussing and approving the authorization of the Chairman of the Board of Directors to set a date and announce the start and end of periods for trading rights issue and subscription to new shares and all information according to the applicable laws and regulations.

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### The Proposed Timetable for The Implementation of The Increase

Action	Date	Comments
Holding the extraordinary general assembly	Sunday June 11, 2023	Approval of the increase
The approval of the Authority to list the subscription rights	Sunday June 18, 2023	
Rights issue trading period	Tuesday July 4, 2023 Monday July 17, 2023	10 trading days
Subscription period	Tuesday July 25, 2023 Monday August 7, 2023	10 trading days
Sale of unsubscribed shares	Tuesday August 14, 2023 Monday August 27, 2023	10 trading days
Holding the extraordinary general assembly	Sunday September 24, 2023	Amending the Articles of Association

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