



## Press Release

# ***Drake & Scull International Capital Increase commences today 25<sup>th</sup> April, 2024***

**Dubai, United Arab Emirates, 25<sup>th</sup> April 2024:** The subscription process for Drake & Scull International PJSC capital increase will commence today, Thursday April 25, 2024, and will end on May 10, 2024, which is considered one of the final steps to complete the restructuring process. The capital increase is set at 600 million United Arab Dirhams distributed over 2.4 billion shares and will support the company's future growth and liquidity to needs. The company's shareholders will also benefit from subscribing to the new shares at a discounted price of 25 fils per share.

The subscription process will take place through the main offices of Emirates NBD across the UAE, in addition to the branches of Commercial Bank of Dubai in Abu Dhabi, Dubai and Sharjah. Emirates NBD has also allocated a special number to respond to all shareholders' inquiries (800 3623 476). To participate in the capital increase, shareholders must ensure that their names appear in the company's share register maintained with the Dubai Financial Market ("DFM") by the end of DFM working hours on the entitlement date of 24 April 2024. In addition, they must possess an Investor Number ("NIN") registered with DFM to be eligible to subscribe to the new shares.

In this context, the company was able to complete all the requirements aimed at its restructuring, as its general assembly, which was held on April 1, 2024, approved the proposals of its board of directors aimed at restructuring it and increasing its capital. In accordance with the requirements of the Securities and Commodities Authority, the subscription will be limited to the company's current shareholders. It is expected that trading in the company's shares will resume on May 21, 2024.

**Eng. Shafiq Abdelhamid, Chairman of the Board of Drake & Scull International PJSC, said:** "We extend our sincere gratitude to all our shareholders for their support and patience since 2018. There is no doubt that we have gone through a long and challenging journey, and together we have been able to reach this important stage that will allow us to resume the company's business and activities



in the market. We have set a comprehensive capital restructuring plan aimed to avoid liquidation of the company, ensure the best interests of shareholders, and ensure business continuity, in addition to achieving better returns for creditors compared to what they could have obtained in the event of liquidation. From this standpoint, the restructuring of DSI and bringing it back to operations would support the national economy and enhance confidence in the financial market."

The restructuring plan stipulates the writing off 90% of the claims of financial and trade creditors and settling the remaining 10% by issuing Mandatory Convertible Sukuks that will convert into shares after 5 years for creditors with balances in excess of more than 1 million United Arab Dirhams. Following the capital restructuring, the company aspires to strengthen its portfolio of projects, in addition to the completion of the current project portfolio.

On the other hand, the writing-off liabilities will lead to capital gains that will positively affect shareholders' equity; whilst the Mandatory Convertible Sukuks will further enhance the equity position. At the same time, the capital increase will support the recapitalization process and enhance the company's liquidity. The cash will be used to enhance access to bank guarantees, which are considered a pivotal basis for winning new projects and completing current projects; fund business operations; and settle other obligations.