Press release

DSI Reports the results of its BOD meeting and announces the appointment of Yousef Al Mulla as the new Group CEO

Company announces its intention to continue its restructuring plan

Restructuring Updates

- The Company appoints Mr. Yousef Al Mulla as the new Group Chief Executive Officer effective 26 August 2018
- The Company is currently devising a fresh restructuring plan that will carry forward the legacy of the ongoing restructuring and recapitalization drive and ensures the continuity of the Company and its ability to grow and win new business
- The new plan will be considerate of the rights of all key stakeholders and will be announced in due course
- The BOD assures shareholders that it is exerting all its efforts and will continue to do so to safeguard the best interests of all its shareholders and to ensure the seamless operation of the Company and its continuity and financial results and the reflection on the return on shareholders' equity

Financial Highlights

- H1 2018 Net Loss reported at AED 183 Million
- The decline in profitability is mainly attributed to cost overruns recorded for non-performing subsidiaries in secondary markets primarily in Oman, Qatar, and Jordan
- The hike in finance cost (to service projects debt in secondary markets) was another main constituent for the quarterly losses
- The next phase of the restructuring plan will entail scaling down operations in none core businesses and non performing business streams and increasing focus on core markets and profitable business streams

Press release

[UAE – 14 August 2018] – Drake & Scull International PJSC ("DSI" or the "Company"), a regional leader in engineering and construction services, reported today the results of its fourth Board of Directors (BOD) meeting held on the 13 August 2018. The Board of Directors approved the appointment of Mr. Yousef Al Mulla as the new Group Chief Executive Officer. Mr. Al Mulla is expected to assume his responsibilities on the 26th August 2018 and will take over from current Group CEO Dr. Fadi Feghali who will be assuming a new role with the DSI Group which will be announced in due course. Mr. Al Mulla is an industry veteran who was previously the Chief Executive Officer of Square General Contracting and has served as the Managing Director for Transemirates Contracting Company. He holds a bachelor's degree in Civil Engineering from the United States and is a certified Project Director.

The BOD further reviewed the strategic objectives of a new restructuring plan that is being prepared, which will constitute an evolution of the ongoing restructuring and recapitalization efforts that commenced in 2016 and continued throughout 2017 and 2018. The comprehensive plan will be drawn to address the Company and its global subsidiaries across its core and non-core geographies. The plan will be considerate of the rights of all stakeholders including financial institutions, suppliers and vendors, as well as current and past employees of the Company, to ensure business continuity of the Company as one of two UAE entities in the contracting sector listed in the local financial markets. The Company will obtain the necessary regulatory approvals and coordinate with the competent authorities to ensure the success of the plan and its timely execution. The BOD further assures shareholders that it is exerting all its efforts and will continue to do so to safeguard the best interests of all its shareholders and to ensure the seamless operation of the Company and its continuity and financial results and the reflection on the return on shareholders' equity.

The Company also declared its H1 2018 financial results. The Company recorded an overall Net Loss of AED 183 million, which it attributed to the performance of subsidiaries in secondary markets primarily in Oman, Qatar, and Jordan, in Q2 2018. Defaults on projects debt obligations and arrears in the secondary markets also resulted in a significant hike in finance cost and negative margin impacts.

The Company attributes the quarterly losses to non-core geographies and affirms that the underlying performance of the UAE market remains relatively stable.

The Company announced that it will be calling for a General Assembly Meeting and will set its agenda in coordination with the Securities and Commodities Authority in due course.

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Press release

About Drake & Scull International PJSC

Drake & Scull International PJSC (DSI) is a regional market leader delivering world-class quality projects via end-to-end solutions that provide integrated design, engineering and construction disciplines of General Contracting, Engineering (MEP), Rail & Infrastructure, Oil & Gas, and Water & Wastewater Treatment, through People, Innovation, and Passion.

DSI's main business streams include engineering, construction, oil and gas, rail and infrastructure, and water and waste. The company operates across the GCC, Middle East, North Africa and India as well as manages projects in Europe.

DSI has delivered more than 700 projects around the world in the last five decades catering to aviation, residential and mixed-use real estate, power plants, district cooling plants, hospitality, healthcare, renewable energy, data centers, petrochemical, rail, commercial, government, leisure, and infrastructure sectors.

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