Press Release

Drake & Scull International Announces Q2 2021 Results

Driven by continuous success of optimizing the operating expenses and direct supervision of ongoing projects, the Company achieved a Gross Profit of AED 11 million compared to AED 7 million for the same period last year

Financial Restructuring Progressing Positively

Dubai, UAE, 18th August 2021: Drake & Scull International PJSC (DSI), a regional market leader in integrated design, engineering, and development in the (MEP), Water and Power and Oil and Gas sectors, released today its reviewed financial results for Six months ended 30 June 2021 reporting a Net Profit of AED 78 million.

- **Revenue achieved of AED 82 million compared to AED 78 million for the same period in 2020.**
- **Gross Profit achieved of AED 11 million compared to AED 7 million for the same period in 2020.**
- **Consistency of achieving gross profit from operations with improving margin from 9% to 13% compared to the same period last year.**
- **Reduction of General and administrative expenses by 26% equivalent to AED 11 million compared to the same period last year.**
- **Profit from continued operations and Net Profit was AED 77 and AED 78 million respectively.**
- **Accumulated Losses have been reduced from AED 4,902 million as of 31 December 2020 to AED 4,824 million.**
- **Total Negative Equity has improved from AED 3,902 million as of 31 December 2020 to AED 3,828 million.**

DSI recorded revenues of AED 82 million with the order backlog stable at AED 353 million, driven by ongoing operations in the UAE, Algeria, Tunisia, Palestine, India, Kuwait, Iraq, and Germany.

As for the latest development related to the financial restructuring of the Company is progressing positively, **Eng. Shafiq Abdelhamid, Chairman of DSI,** highlighted: "We have made good progress on the restructuring. We now have a fully documented legal agreement with a group of the largest lenders. The details of the Restructuring Plan were presented to all creditors to initiate the voting, and we are progressing towards securing the required approval of two-thirds of creditors by value. In parallel, we have made an application to the Dubai Courts so as to obtain Court approval of the Restructuring Plan after the creditor's voting is completed.

The legal documents (complying with both conventional and Islamic Sharia requirements) have been released to all 600 Creditors. Approval from the Creditors is now being sought and we are targeting the creditors' approval in the coming weeks. The required threshold to approve the restructuring Plan is two-thirds by the value of the registered creditors as published in the newspapers by the FRC appointed Expert on 4th February 2021.

It's worth mentioning that as part of the Restructuring Plan, the company's capital will be raised, and priority in subscribing to new shares will be given to existing shareholders, after the completion of a positive vote on the plan and obtaining the approval of the court and other regulatory bodies.

Once the Restructuring Plan is approved by two-thirds (by value) of the creditors' claims, with the support of the FRC, the Company and the Expert will seek the final Court approval and allow the Rights Issue process to be initiated, after resuming the trading of DSI shares on Dubai financial Market.

About Drake & Scull International PJSC

Drake & Scull International PJSC (DSI) is a regional market leader in world-class integrated design, engineering, and construction projects. DSI's main business streams include engineering (MEP), construction, oil & gas, and water & wastewater. The Company operates across the GCC and the rest of the Middle East as well as Europe. DSI has completed more than 700 projects around the world in aviation, residential and mixed-use real estate, power plant, cooling plant, hospitality, healthcare, renewable energy, data center, petrochemical, rail, commercial, government, leisure, and infrastructure sectors.

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