Press Release

Drake & Scull International Announces Q3 2021 Results

Driven by the continuous success of optimizing the operating expenses and direct supervision of ongoing projects, the Company achieved a Gross Profit of AED 15 million for the period of nine months ended 30 September 2021 compared to AED 14 million for the same period last year.

Financial Restructuring Progressing Positively

Dubai, UAE, 14 November 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 it's reviewed financial results Q3 ended 30 September 2021 reporting a Net Profit of AED 58 million for the period of nine months ended 30 September 2021.

- **Revenue achieved of AED 111 million for the period of nine months ended 30 September 2021 compared to AED 118 million for the same period in 2020.**
- **Gross Profit achieved of AED 15 million for the period of nine months ended 30 September 2021 compared to AED 14 million for the same period in 2020.**
- **Gross Profit achieved of AED 4 million for the period of the last three months ended 30 September 2021 compared to AED 7 million for the same period in 2020.**
- **Consistency of achieving gross profit from operations with improving margin from 12% to 13% compared to the same period last year.**
- **Reduction of General and administrative expenses by 31% equivalent to AED 20 million compared to the same period last year.**
- **Profit from continued operations and Net Profit was AED 58 and AED 58 million respectively for the period of nine months ended 30 September 2021.**
- **Net Losses achieved of AED 19 million for the period of the last three months ended 30 September 2021 compared to AED 70 million for the same period in 2020.**
- **Accumulated Losses have been reduced from AED 4,902 million as of 31 December 2020 to AED 4,843 million.**
- **Total Negative Equity has improved from AED 3,902 million as of 31 December 2020 to AED 3,849 million.**

DSI recorded revenues of AED 111 million for the period of nine months ended 30 September 2021 with the order backlog stable at AED 448 million, driven by ongoing operations in the UAE and abroad.

The financial restructuring of the Company is progressing towards a conclusion. Eng. Shafiq Abdelhamid, Chairman of DSI, commented, "As we reported in the previous second quarter there are three critical work streams (I) the Creditor Voting, (ii) the Court Process, and finally (iii) the Rights Issue to the existing Shareholders. All are progressing well considering the complexity of the restructuring, which has not been previously undertaken. The Board and the Shareholders' primary objective is to complete the financial restructuring thereby saving the company and allowing the DSI shares to be traded again".

In order to complete the restructuring, we must complete all the work streams. Good progress continues on each work stream with many creditors including the larger Banks formally supporting the Restructuring Plan. We are in the final stages of trying to obtain the remaining voting percentage to reach the required threshold. The Court process has been initiated in Dubai Court as previously reported. Once the Creditors' vote is completed, it will allow the Court to issue its verdict in accepting the Company's application and declaring the success of the financial restructuring.

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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