Press Release

Drake & Scull International Announces Q2 2023 Financial Results

Dubai, UAE, 14 August 2023: 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 the Q2 ended 30 June 2023 reporting a Gross Profit of AED 5 million compared to AED 1 million for the same period in 2022.

- **Revenue achieved was AED 45 million compared to the same amount during the same period in 2022.**
- **Loss from continued operations was AED 163 million compared to a loss of AED 90 million during the same period in 2022.**
- **Reduction in general and administrative expenses to AED 16 million compared to AED 23 million during the same period in 2022, equivalent to 30%.**
- **Accumulated Losses increased to AED 5,261 million compared to accumulated losses of AED 5,098 million as at 31 December 2022.**
- **Total Negative Equity increased to AED 4,226 million compared to total negative equity of AED 4,083 million as at 31 December 2022.**
- **The major reasons behind the loss are the net financing cost and commercial cases that will be adjusted upon successful completion of the restructuring process.**

DSI order backlog is AED 410 million driven by ongoing operations in the UAE and overseas countries.

Commenting on the announcement, **Eng. Shafiq Abdelhamid, Chairman of DSI PJSC**, said

“According to what was announced on 8 August 2023, and where the Court of Appeal had previously decided to open restructuring procedures for the company in accordance with the bankruptcy lawwithout taking into consideration the circumstances of the emergency financial crisis, the company submitted a cassation against the issued decision, hence, the company is anticipating the ruling of the Court of Cassation on 22 August 2023 in fairness to the company by accepting the opening of procedures in accordance with the emergency financial crisis, and as a result, the adoption of the procedures previously completed by the Financial Reorganization Committee.

Once the procedures for the application submitted to the court are completed, the rest of the procedures agreed upon in the plan will be completed including raising the company's capital and submitting a request to return the company's shares to trade in the Dubai Financial Market.

We highlight that the company has filed several civil, criminal, and commercial lawsuits including claims equivalent to AED 10,314,086,262.00 (ten billion three hundred fourteen million eighty six thousands two hundred sixty two Emirati Dirhams). These encompass civil casesfiled against the former management and other advisory firms equivalent to AED 9,303,699,903 (nine billion three hundred three million six hundred ninety nine thousand nine hundred three Emirati Dirhams) in addition to other commercial lawsuits equivalent to AED 1,010,386,359 (one billion ten million three hundred eighty six thousand three hundred fifty nine Emirati Dirhams).

In addition, the company filed criminal cases before public prosecution – Abu Dhabi and the expert reports approved by Abu Dhabi public prosecution were in favor of the company. The expert reports transferred to the public prosecution – Dubai and still under consideration by them before transferring the file to the competent court. The value in the experts report were AED 2,338,183,120.00 (two billion three hundred thirty eight million one hundred eighty three thousand one hundred twenty Emirati Dirhams).

We are grateful for the patience of our shareholders as we seek to restructure the company, thereby protecting as far as possible their investments and will continue to make all possible efforts to ensure that DSI PJSC shares will resume trading on the Dubai Financial Market after the completion of the restructuring”.

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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, District cooling plants, Oil & Gas, and Water & Wastewater Treatment plants. The company operates across the GCC & rest of the Middle East as well as Europe. DSI has completed more than 700 projects around the world in the Residential and mixed-use real estate, Aviation, Power plants, District cooling plants, Hospitality, Healthcare, Renewable energy, Data center, Petrochemical, Rail, Commercial, Government, Leisure and Infrastructure sectors.