Press Release

Drake & Scull International Announces Q1 2023 Financial Results

Dubai, UAE, 11 May 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 Q1 ended 31 March 2023 reporting a Gross Profit of AED 1 million compared to the same amount and period in 2022.

- **Revenue achieved was AED 20 million compared to AED 24 million for the same period in 2022.**
- **Loss from continued operations was AED 119 million compared to a loss of AED 53 million for the same period in 2022.**
- **Reduction in general and administrative expenses to AED 8 million compared to AED 13 million for the same period in 2022, equivalent to 37%.**
- **Accumulated Losses increased to AED 5,217 million compared to AED 5,098 million as at 31 December 2022.**
- **Total Negative Equity increased to AED 4,182 million compared to AED 4,083 million as at 31 December 2022.**

DSI order backlog is AED 442 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 April 18, 2023, and where the Court of Appeal had previously decided to open restructuring procedures for the company in accordance with the law, without 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 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 Regulatory Committee.

After negotiating with the company creditors, in cooperation with the best local and international financial and legal consultants and experts, and in coordination with the Financial Regulatory Committee, the company's management has agreed with its creditors on the restructure plan, after obtaining the company's shareholders approval.
Creditors represent 67% of the company's debt have been voted with their consent on the plan, which includes a write off for 90% of the company's debt and convert the remaining 10% into mandatory convertible Sukuk, which are to be converted after five years from the court's approval of the plan.

Thus, the company has successfully obtained the vote of creditors who represent about 67% of the company's debt to approve the restructuring plan, achieving the required percentage according to the law, based on the request previously submitted by the company to the Financial Reorganization Committee. Therefore, the Financial Reorganization Committee has issued a decision that its procedures are complete, provided that the company completes the implementation of the procedures at the Public Prosecution and the competent court, and that the case is still under consideration at the Court of cassation, awaiting the court's Judgment according to the law concerning the emergency financial crisis.

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.

Moreover, we highlight that the company has filed several civil, criminal, and commercial lawsuits, including claims equivalent to ten billion Emirati Dirhams. These encompass civil cases filed against the former management and other related entities, in addition to other commercial lawsuits initiated by the company.

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 the livelihoods of many hundreds of families. We 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.