Press Release

Drake & Scull International Announces Q2 2024 Financial Results

Write-offs of debt, legal provisions and bank interest of AED 4.1 billion and achieving net profit of AED 3.79 billion

Commenting on the company's exceptional positive results, Chairman of the Board of Directors Engineer Shafiq Abdelhamid, stated the following:

I am pleased to announce the company's return to profitability immediately after the completion of the restructuring plan process, which was full of serious challenges that extended for more than 6 years, in addition the company was suffering from catastrophic financial, legal and operational conditions inside and outside the United Arab Emirates, and we had the courage and transparency in disclosing previous accumulated losses of AED 5.5 billion that almost led to the bankruptcy of the company.

The Chairman of the Board of Directors of the company added that the most prominent financial results for the second quarter of 2024 can be summarized as follows:

- Semi-annual net profit of **AED 3.79 billion**.

- Excluding the profit from the write back of liabilities under approved restructuring settlement plan of **AED 3.76 billion**, the company was able to achieve a semi-annual net profit of **AED 30 million.**

- Write-off of debts, legal provisions and bank interest amounted to **AED 4.1 billion.**

- Increase of Company's equity from a deficit of **AED 4.4 billion** as at 31 December 2023 to a positive value of ***AED 180 million*** as at 30 June 2024.

- Generating other revenues from contingent additional provisions taken by the current management as a precautionary measure before the completion of the restructuring process.

- Increasing the company's capital by **150%** above the required percentage for restructuring plan, which led to enhancing the company's liquidity and providing the necessary bank guarantees to win new projects.

- Revenue grew by **13%** compared to the same period last year.

- Full settlement of all bank borrowings except for its subsidiary in Germany, which has bank loans amounting to **AED 7.5 million** only.

In addition, the most prominent achievements made during the second quarter of 2024 can be summarized as follows:

- Completion of the restructuring process after 6 years of its inception.

- Re-trading the company's shares on the Dubai Financial Market.

- Returning the company to achieving net profits in record time before the previously announced target date, which was estimated at two years after the completion of the restructuring process.

- Successful issuance of Mandatory Convertible Sukuk into shares after five years, worth **AED 364** million in favor of qualified financial and commercial creditors, equivalent to **10%** of their indebtedness and writing off **90%** of the remaining debt amount.

The current Board of Directors has developed a long-term business plan and set bold, transparent and practical strategic goals since 2018 with the aim of returning the company to the right course of work and addressing the catastrophic mistakes and violations committed by the previous management:

1. Continuous legal follow-up to compensate the company for any damage suffered by the previous management or any other party.

2. Working continuously and tirelessly to keep the projects in progress, and obtain new projects despite bank attachments and huge commercial cases against the company.

3. Reducing expenses efficiently and effectively to the optimal level to ensure that the company continues to operate until the completion of the restructuring plan.

Based on all of the above, the Company, represented by its Chairman and the Board of Directors, extends its gratitude and appreciation to His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, First Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Financial Affairs, for his unlimited support to all institutions and companies operating in the country. We extend our sincere thanks to the shareholders of the company for their patience over the past years until the completion of the restructuring process, the Securities and Commodities Authority, the Dubai Financial Market, the relevant competent authorities, creditors, restructuring advisors and the executive management of the company for their support in achieving the goals that we aspired to from the beginning, which mainly aims to protect and grow the investments of the company and shareholders in a sustainable manner.

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 companyoperates 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.